

ANNUAL BUDGET OF JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

(NC 451)

2017/18 TO 2019/20 MEDIUM TERM REVENUE AND EXPENDITURE FORECASTS

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Glossary

Adjustments Budget – Prescribed in section 28 of the MFMA. The formal means by which a municipality may revise its annual budget during the year.

Allocations – Money received from Provincial or National Government or other municipalities

AFS- Annual Financial Statements

Budget – The financial plan of the Municipality

Budget Related Policy – Policy of a municipality affecting or affected by the budget, examples include tariff policy, rates policy and credit control and debt collection policy

Capital Expenditure - Spending on assets such as land, buildings and machinery. Any capital expenditure must be reflected as an asset on the Municipality's Statement of Financial Performance

Cash Flow Statement – A statement showing when actual cash will be received and spent by the Municipality. Cash payments do not always coincide with budgeted expenditure timings. For example, when an invoice is received by the Municipality it is shown as expenditure in the month it is received, even though it may not be paid in the same period

CFO - Chief Financial Officer

DORA – Division of Revenue Act. Annual legislation that shows the total allocations made by national to provincial and local government

Equitable Share – A general grant paid to municipalities. It is predominantly targeted to help with free basic services

Fruitless and wasteful expenditure – Expenditure that was made in vain and would have been avoided had reasonable care been exercised

GFS – Government Finance Statistics. An internationally recognised classification system that facilitates like for like comparison between municipalities

GRAP – Generally Recognised Accounting Practice. The new standard for municipal accounting and basis upon which AFS are prepared.

IDP – Integrated Development Plan. The main strategic planning document of the Municipality

KPI's – Key Performance Indicators. Measures of service output and/or outcome

MFMA – The Municipal Finance Management Act – No. 53 of 2003. The principle piece of legislation relating to municipal financial management.

MTREF – Medium Term Revenue and Expenditure Framework. A medium term financial plan, usually 3 years, based on a fixed first year and indicative further two years budget allocations. Also includes details of the previous three years and current years' financial position

NT – National Treasury

Operating Expenditure – Spending on the day to day expenses of the Municipality such as salaries and wages

Rates – Local Government tax based on the assessed value of a property. To determine the rates payable, the assessed rateable value is multiplied by the rate in the rand

R&M – Repairs and maintenance on property, plant and equipment

SCM – Supply Chain Management

SDBIP – Service Delivery and Budget Implementation Plan. A detailed plan comprising quarterly performance targets and monthly budget estimates.

Unauthorised expenditure – Generally, spending without, or in excess of, an approved budget

Vote means one of the main segment into which a budget of a municipality is divided for the appropriation of money for the different departments or functional areas of the municipality; and which specifies the total amount that is appropriated for the purpose of the department or functional area concerned.

Zero Based Budgeting means as opposed to incremental budgeting, zero-based budgeting means that each year's budget is drawn up independently from that of the previous year. This means that items are not included simply because they were in the previous budget. Each item has to be justified and motivated for and the purpose of each item is considered. All items in the capital are treated on a "zero-basis"

PART 1

MAYORAL BUDGET SPEECH

Honorable Speaker,
Members of the Executive Committee,
Councilors,
Our Traditional Leaders,
Municipal Manager,
Senior Managers,
Guests,
Ladies and Gentlemen,
Good day to you all.

Thank you for the opportunity to present the Final Budget for the 2017/18 financial year. Speaker, it is much appreciated that the masses of this Municipality gave us a note through their vote so that we continue with the high pace of service delivery.

In honour of our stalwart OR Tambo, 2017 has been declared as OR Tambo year who was a unifier of the universe. His style of leadership will help us to unify our people and will be able to respond to these challenges that are facing us. Leadership should emulate the historic examples of President OR Tambo to influence our ongoing selfless service to the people.

As mandated by the electorate, we have to acknowledge the progress we have made to close gaps of poverty, employment and inequality.

This budget happens few months after local government elections where our people were giving the leadership of local government the authority to change and better their living conditions. Both pre-elections and post elections, our people are still raising same issues and we therefore should not fail them.

Speaker

The Municipality should help contribute towards meeting the targets set by the NDP of creating 11 million jobs by 2030 through facilitation of small and medium sized enterprises that will create a greater portion of job opportunities. We should discourage

this silo mentality of business people working selfishly so that they can grow and uplift one another.

As we appreciate the work done by the previous Council going forward, we must strengthen and complement what they did. This budget will update the Council and the community of Joe Morolong Local Municipality about the revenue, expenditure and the projections for the next fiscal year.

Speaker

Due to economic down turn, this budget does not come near to solving our challenges. However, we are, without any doubt, acutely aware of the enormous responsibility facing us to continue unwaveringly with our quest to ensure that the ideals of a free and democratic society are upheld. Much still needs to be done and significant challenges are still facing us, but our pledge to our citizens is that we will not divert from our course towards a better life for all.

Management within local government has a significant role to play in strengthening the link between the citizen and government's overall priorities and spending plans. The goal should be to enhance service delivery aimed at improving the quality of life for all people within Joe Morolong. Budgeting is primarily about the choices that the Municipality has to make between competing priorities and fiscal realities. The challenge is to do more with the available resources. We need to remain focused on the effective delivery of the core municipal services through the application of efficient and effective service delivery mechanisms.

The application of sound financial management principles for the compilation of the Municipality's financial plan is essential and critical to ensure that the Municipality remains financially viable and that sustainable municipal services are provided economically and equitably to all communities.

Public Participation

Speaker

As we travelled around the Municipality during IDP meetings, some real changes are evident in our communities. However, remnants of old order is still glaring but our people are hopeful that this government will deliver. Let us therefore not disappoint the electorates by complaining with them as they do. Some projects have been identified in different areas to respond to the challenges that are prevalent. We will budget for some of these projects in the new financial year.

Speaker, the allocation we are setting aside for capital expenditure underscores our commitment to accelerating service delivery through efficient and good governance.

FOCUS OF THE 2017/18 BUDGET

- ❖ With the 2017/18 budget, emphasis is placed on the core service delivery obligations assigned to the municipality in the constitution.
- ❖ Maintenance and renewal of existing infrastructure should enjoy preference and we are focusing on preventative and scheduled maintenance preceded by proper planning processes.
- ❖ Innovative service delivery mechanisms such as the building of internal capacity to get more value for budget allocations.
- ❖ Provision of much needed infrastructure to ensure the economic progression of our communities
- ❖ Provision of basic services, improvement of the quality infrastructures well as sustainable service delivery.

CAPITAL BUDGET

The capital budget flows from the IDP process and contains information obtained from relevant stakeholders and communities through a public participation process as well as ward committee processes where applicable. The capital budget for the 2017/18 financial year amounts to R 114 Million with the main focus on the following:

- | | |
|--------------------------|----------------|
| ❖ Provision of water | R 70.3 Million |
| ❖ Roads | R 15.7 Million |
| ❖ Sanitation | R 17.1 Million |
| ❖ Traffic Testing Centre | R 2 Million |
| ❖ Community Halls | R 4.0 Million |

❖ Cemeteries	R 1.0 Million
❖ Computers, Offices Equipment & Other	R 1.2 Million
❖ Municipal Office Fencing	R 1.7 million
❖ Telecommunication(upgrade)	R1 million

Capital projects for the 2017/18 financial year are funded from grants receivable from the National Government amounting to R 103 Million and own funding to the amount of R 10.8 Million

IN CONCLUSION

The budget we are tabling here today is another step closer in attaining the strategic goals of the municipality which includes amongst others, institutional development and transformation, service delivery to all our communities, the financial viability and sustainability of the municipality as well as good administration and public participation.

Thank you to the Municipal Manager who I believe has done an excellent job in leading the administration in the direction we both wish to move in and to the Directors and staff for their continued hard work in delivering services in line with the Municipality's vision of "A wealthy and prosperous local community with equal access to basic services and sustainable development opportunities".

I would like to thank Councillors who have a difficult task of balancing community expectation with limited resources.

I THANK YOU

Cllr DD Leutlwetse

MAYOR

Council's Budget Resolution

- ❖ Council of Joe Morolong Local Municipality, acting in terms of section 24 of the Municipality Finance Management Act: Act 56 of 2003, approves and adopt the Annual Budget for 2017/18 financial year and single-year capital appropriations as set-out in the core table contained in the bound budget document with effect from the a 1 July 2018.

- ✓ Table A2: Budgeted Financial Performance (expenditure by standard classification)
- ✓ Table A3: Budgeted Financial Performance (expenditure by municipal vote)
- ✓ Table A4: Budgeted Financial Performance (revenue by source)
- ✓ Table A5: Budgeted Capital Expenditure for both multi-year and single year appropriations by vote, standard classification and funding

- ❖ The council also, acting in terms of Section 75A of the municipality System Act, Act 32 of 2000, adopted with effect from 1 July 2018.

1. Tariffs for property rates, electricity, water supply, sanitation services and solid waste services and tariffs for other services.
2. And the Council of Joe Morolong approved cash backing implemented through the utilisation of bulk services fees and portion of revenue generated from property rates to ensure cash backing for unspent conditional grants for effectiveness to the Municipal budget as required by the legal prescripts, Section 8 of the municipality Budget and Reporting Regulations.

BUDGET RELATED POLICIES TABLED TO COUNCIL ALONG-SIDE WITH THE BUDGET:

- 1) Property Rates Policy
- 2) Banking and Investment Policy
- 3) Budget, Funding, Reserves & Virement Policy

- 4) Credit Control and Debt Collection Policy
- 5) Fixed Assets Policy
- 6) Indigent Policy
- 7) Risk Management Policy
- 8) Supply Chain Management Policy
- 9) Tariffs Policy
- 10) Fruitless and Wasteful Expenditure Policy
- 11) Cash Shortage Policy
- 12) Bad Debt Write Off Policy
- 13) Asset Management Policy
- 14) Petty Cash Policy

BUDGET RESOLUTION: 178/2016/17

1.1 Executive Summary

The application of sound financial management principles for the compilation of the municipality's financial plan is essential and critical to ensure that the municipality remains financially viable and that municipal services are provided sustainably, economically and equitably to all members of communities.

The municipality's service delivery priorities were reviewed as part of this year's planning and budget process. Where appropriate, funds were transferred from low- to high-priority programmes so as to maintain sound financial stewardship. A critical review was also undertaken of expenditures on "nice to have" items in order to save money and improve service delivery. Key areas where savings were realized were on telephone and internet usage, workshops payment and catering.

- **National Treasury's MFMA Circular No. 67, 70, 78 and 79 was used to guide the compilation of the 2017/18 MTREF.**

- **The main challenges experienced during the compilation of the 2017/18 MTREF can be summarized as follows:**
 - The need to reprioritize projects and expenditure within the existing resource envelope given the cash flow realities and cash position of the municipality;
 - Elimination of non-priority expenditure that does serve the interest of service delivery to communities
 - The municipality's inability to generate enough own revenue to assist the infrastructure challenges in our communities.
 - Wage increases for municipal staff that continue to exceed consumer inflation, as well as the need to fill critical vacancies;
 - Affordability of capital projects

- **The following budget principles and guidelines directly informed the compilation of the 2017/18 MTREF:**
 - The 2016/17 Adjustments Budget priorities and targets, as well as the base line allocations contained in that Adjustments Budget were adopted as the upper limits for the new baselines for the 2017/18 draft budget
 - The budget was prepared on a zero base principle and some of the operational expenses such as some contracted service and fuel expenses were prepared based on the 2016/17 financial year performance.
 - Intermediate service level standards were used to inform the, targets and backlog eradication goals;
 - Tariff and property rate increases should be affordable and should generally not exceed inflation as measured by the CPI, except where there are price increases in the inputs of services that are beyond the control of the municipality. In addition, tariffs need to remain or move towards being cost reflective, and should take into account the need to address infrastructure backlogs. For the next financial year, tariffs and property rates have been increased and there are two separate tariffs and rates applicable to municipality; being the one for businesses and the other for residential
 - Intermediate service level standards were used to inform the measurable objectives, targets and backlog eradication goals;
 - There will be no budget allocated to national and provincial funded projects unless the necessary grants to the municipality are reflected in the national and provincial budget and have been gazetted as required by the annual Division of Revenue Act;

In view of the aforementioned, the following table is a consolidated overview of the 2017/18 Medium-term Revenue and Expenditure Framework:

Table 1 Overview of the 2017/18 MTREF

	Adjustment Budget 2016/17 R '000	Budget Year 2017/18 R '000	Budget Year +1 2018/19 R 000	Budget Year +2 2019/20 R 000
Total Operating Revenue	R 322 329	R 272 108	R 334 884	R 352 590
Total Operating Expenditure	R 169 247	R 156 504	R 168 525	R 177 152
(Surplus)/Deficit for the year	R 3 414	R 0.00	R 15	R 17
Total Capital Expenditure	R 149 668	R 114 469	R 164 815	R 174 246

Total operating revenue has decrease by R 50.2 million for the 2017/18 financial year when compared to the 2016/17 Adjustments Budget this is as results of reduction capital grants (MIG and WSIG). For the two outer years, operational revenue will increase by R62.8 million and then increase by R 17.7 million respectively. The decrease of R 13 million in 2017/18 financial year is as result of reduction in the operational grants

Total operating expenditure for the 2017/18 financial year has been appropriated at R 156 504 million with no budgeted surplus. When compared to the 2016/17 Adjustments Budget, operational expenditure has decreased by R 12.7 million in the 2017/18 budget and will increase by R 12 million and R 8.6 million for each of the respective outer years of the MTREF. The operating surplus for the two outer years increases to R 0.01 million and then reduces to R 0.02 million. These surpluses will be used to fund capital expenditure and to further ensure cash backing of reserves and funds.

The capital budget of R 114 million for 2017/18 has decreased by R35 million when compared to the 2016/17 Adjustment Budget. The capital programme increases to R164.7 million in the 2018/19 financial year and R174.2 million in 2019/20. The capital budget will be funded from government grants and internally generated funds (surplus) over MTREF.

1.2. Operating Revenue Framework

For Joe Morolong local Municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality.

The reality is that we are faced with development backlogs, poverty and high unemployment.

The expenditure required to address these challenges will inevitably always exceed available funding; hence difficult choices have to be made in relation to tariff increases and balancing expenditures against realistically anticipated revenues.

The municipality's revenue strategy is to be built around the following key components:

- National Treasury's guidelines and macroeconomic policy;
- Growth in the municipality and continued economic development;
- Efficient revenue management, which aims to ensure a 95 per cent annual collection rate for property rates and other key service charges;
- Electricity tariff increases as approved by the National Electricity Regulator of South Africa (NERSA);
- Trading services are fully cost-reflective and ring-fenced;
- Determining the tariff escalation rate by calculating the revenue requirement of each service;
- The municipality's Property Rates Policy approved in terms of the Municipal Property Rates Act, 2004 (Act 6 of 2004) (MPRA);
- Increase ability to extend new services and recover costs;
- The municipality's Indigent Policy and rendering of subsidised services; and
- Tariff policies of the municipality.

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source

NC451 Joe Morolong - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	-	-	-	-	-	-	-	13,054	13,824	14,625
Service charges - electricity revenue	2	-	-	-	-	-	-	-	6,080	6,566	7,092
Service charges - water revenue	2	-	-	-	-	-	-	-	16,712	18,718	20,964
Service charges - sanitation revenue	2	-	-	-	-	-	-	-	1,951	2,068	2,192
Service charges - refuse revenue	2	-	-	-	-	-	-	-	1,000	1,059	1,120
Service charges - other											
Rental of facilities and equipment									167	177	187
Interest earned - external investments									55	58	62
Interest earned - outstanding debtors											
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services									90	99	109
Transfers and subsidies									129,439	135,474	141,087
Other revenue	2	-	-	-	-	-	-	-	554	534	559
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		-	-	-	-	-	-	-	169,101	178,576	187,997

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	3,371	12,134	10,418	12,863	12,863	12,863	-	-	-	-
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	4,914	4,555	5,259	7,038	7,038	7,038	-	-	-	-
Service charges - water revenue	2	5,315	13,571	22,823	15,200	15,200	15,200	-	-	-	-
Service charges - sanitation revenue	2	1,439	1,557	1,887	1,650	1,650	1,650	-	-	-	-
Service charges - refuse revenue	2	838	868	976	920	920	920	-	-	-	-
Service charges - other											
Rental of facilities and equipment		100	74	61	93	150	150				
Interest earned - external investments		260	1,155	2,706		597	597				
Interest earned - outstanding debtors		3,727	4,583	7,337	50	2,987	2,987				
Dividends received			-			-	-				
Fines			-			-	-				
Licences and permits			-			-	-				
Agency services			-		120	60	60				
Transfers recognised - operational		74,257	195,240	140,729	122,361	129,207	129,207				
Other revenue	2	1,022	751	2,818	1,212	1,243	1,243	-	-	-	-
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		95,241	234,489	195,014	161,508	171,915	171,915	-	-	-	-

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement, as inclusion of these revenue sources would distort the calculation of the operating surplus/deficit.

The municipality's revenue from operating grants and transfers totals R129.8 million in 2017/18 and steadily increases to R135.7 million by 2018/19 and increases to R141.0 by 2019/20 of total revenue of municipality generated from grants, the revenue from operating grants form a significant percentage of the revenue basket for the Joe Morolong Local Municipality. The increase in property rates revenue in relation to the updated valuation, whereby there are additional mining development in the area. In terms of services charges mainly water municipality is busy installing the meters in all government sector department (e.g. schools, clinics, etc.) where they have been receiving water for free and decided to install prepaid meter for all new water projects that they undertake in order to manage water usage.

The following table gives a breakdown of the various operating grants and subsidies allocated to the municipality over the medium term:

Table 3 Operating Transfers and Grant Receipts

NC451 Joe Morolong - Supporting Table SA18 Transfers and grant receipts

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		-	-	-	-	-	-	124,748	130,609	136,269
Local Government Equitable Share								121,603	128,209	133,609
Water Services Operating Subsidy								2,145	2,400	2,660
Finance Management								-		
Municipal Systems Improvement								1,000		
EPWP Incentive										
Other transfers/grants [insert description]										
Provincial Government:		-	-	-	-	-	-	1,638	1,638	1,408
Sport and Recreation								1,638	1,638	1,408
Housing										
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	-	-	-	-	-	-	126,386	132,247	137,677

NC451 Joe Morolong - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
<u>Operating Transfers and Grants</u>										
National Government:		73,667	105,789	142,694	117,928	117,928	117,928	-	-	-
Local Government Equitable Share		71,227	93,255	115,253	115,068	115,068	115,068			
Water Services Operating Subsidy			10,000	22,500						
Finance Management		1,550	1,600	1,675	1,810	1,810	1,810			
Municipal Systems Improvement		890	934	930						
EPWP Incentive				2,336	1,050	1,050	1,050			
Other transfers/grants [insert description]										
Provincial Government:		590	969	371	1,541	1,541	1,541	-	-	-
Sport and Recreation		590	969	371	1,541	1,541	1,541			
Housing										
Other transfers/grants [insert description]										
District Municipality:		-	-	-	-	-	-	-	-	-
[insert description]										
Other grant providers:		-	-	-	-	-	-	-	-	-
[insert description]										
Total Operating Transfers and Grants	5	74,257	106,758	143,065	119,469	119,469	119,469	-	-	-

1.2.1. Operational revenue assumptions – tariffs

Tariff-setting is a pivotal and strategic part of the compilation of any budget. When rates, tariffs and other charges were revised, local economic conditions, input costs and the affordability of services were taken into account to ensure the financial sustainability of the municipality

National Treasury continues to encourage municipalities to keep increases in rates, tariffs and other charges as low as possible. Municipalities must justify in their budget documentation all increases in excess of the 6.4 per cent upper boundary of the South African Reserve Bank's inflation target. Excessive increases are likely to be counterproductive, resulting in higher levels of non-payment.

The percentage increases of both Eskom and Sedibeng Water bulk tariffs are far beyond the mentioned inflation target. Given that these tariff increases are determined by external agencies, the impact they have on the municipality's electricity and water, these tariffs are largely outside the control of the municipality.

Discounting the impact of these price increases in lower consumer tariffs will erode the municipality's future financial position and viability.

It must also be appreciated that the consumer price index, as measured by CPI, is not a good measure of the cost increases of goods and services relevant to municipalities. The basket of goods and services utilised for the calculation of the CPI consist of items such as food, petrol and medical services, whereas the cost drivers of a municipality are informed by items such as the cost of remuneration, bulk purchases of electricity and water, petrol, diesel, chemicals, cement etc. The current challenge facing the Municipality is managing the gap between cost drivers and tariffs levied, as any shortfall must be made up by either operational efficiency gains or service level reductions.

1.2.2. Property Rates

Property rates cover the cost of the provision of general services. Determining the effective property rate tariff is therefore an integral part of the municipality's budgeting process.

National Treasury's MFMA Circular No. 51 deals, inter alia with the implementation of the Municipal Property Rates Act, with the regulations issued by the Department of Co-operative Governance. These regulations came into effect on 1 July 2009 and prescribe the rate ratio for the non-residential categories, public service infrastructure and agricultural properties relative to residential properties

The following stipulations in the Property Rates Policy are highlighted:

- The first R15 000 of the market value of all residential properties and of all properties used for multiple purposes, provided one or more components of such properties are used for residential purposes, is exempt from the payment of rates in terms of Section 17(1)(h) of the Property Rates Act.
- 100% rebate will granted to registered indigents in terms of the Indigent Policy

Table 4 Comparison of rates to be levied for the 2017/18 financial year

Category	Current Tariff (from 01 July 2017)	Approved Tariff (from 01 July 2018)
	c	c
Residential properties	0.00875	0.00936
State owned properties	0.01602	0.01714
Business & Commercial	0.01773	0.01897
Agricultural	0.00875	0.00936
Industrial	0.01773	0.01897
Mines	0.01773	0.01897

1.2.3 Sales of Water and Impact of Tariff Increases

South Africa in general faces similar challenges with regard to water supply.

Consequently, National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure:

- Water tariffs are fully cost-reflective – including the cost of maintenance and renewal of water infrastructure, water networks and the operational cost
- Water tariffs are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs are designed to encourage efficient and sustainable consumption.

A tariff increase of 12 per cent as from 1 July 2018 for water.. In addition 6kl of water per 30 day period will again be granted for free to all the registered indigents.

Table 5 Approved Water Tariffs

Category	Current Tariffs 2016/17	Approved Tariffs 2017/18
Residential	Rand per l	Rand per l
0 – 100 l	5.75	0.10
101 – 1000 l	7.18	0.15
> 1000 l	13.73	0.20
Business		
0 – 100 l	14.37	0.20
101 – 1000 l	18.59	0.30
> 1000 l	25.36	0.40

Industrial		
0 – 100 l	40.25	46.29
101 – 1000 l	51.75	59.51
> 1000 l	74.75	85.96

1.2.4. Sanitation and Impact of Tariff Increase

A tariff increase of 6 percent for sanitation from 1 July 2018 is approved by council.

Table 6 Comparison between current sanitation charges and increases

Categories	Current Tariffs 2016/17	Approved Tariffs 2017/18
Residential		
Availability charge	64.93	69.47
Basic charge	64.93	69.47
Charge per Toilet	89.81	96.09
Business		
Availability charge	74.64	79.86
Basic charge	74.64	79.86
Charge per Toilet	160.19	171.41

1.2.5 Refuse and Impact of Tariff Increases

A tariff increase of 6 percent for refuse from 1 July 2018 is approved by council

Table 7 Comparison between current refuse charges and increases

Categories	Current Tariffs 2016/17	Approved Tariffs 2017/18
Van Zylsrus		
Residential	26.09	27.92
Business (per container)	54.15	57.94
Hotazel		
Availability charge	44.54	47.66
Basic charge	44.54	47.66
Basic removal charge	131.43	140.63

1.2.6 Electricity and impact of Tariff Increases

A tariff increase of 2.2% percent for electricity from 1 July 2018 is approved by council as recommended by NERSA in MFMA Circular no: 86

Table 8 Comparison between current electricity charges and increases

Categories	Current Tariffs 2016/17	Approved Tariffs 2017/18
Hotazel		
Availability charge	95.02	104.14
Single Phased pre-paid		
-basic charge	81.55	89.37
-per kwh	1.51	1.65
Three phase pre-paid		
-basic charge	118.76	130.16
-per kwh	1.82	2.00
Normal metered		
-basic charge	118.76	130.16
-per kwh	1.51	1.65

The tariffs for 2017/18 MTREF are based on the following assumptions:

- That the demand for services will remain at the same levels, meaning that consumers will continue consuming at the same quantities as the previous period
- That the paying customers will continue paying for their services and those who cannot afford will register as indigents and benefit from free basic services
- That credit control policy will be applied to prevent customers in accumulating debt without paying the municipality and entering into a repayment arrangement with the municipality's finance department
- That non-paying customers including indigents who consume more than the approved quantum will be disconnected from services in line with the credit control policy until acceptable arrangements/payments are made

- That the municipality will take a conservative approach on tariff hike taking into account affordability and inflation
- That no surcharges will be implemented in their near future for all services
- That consumers will continue to switch over from post-paid to prepaid electricity metering
- That the municipality will charge a basic charge for the first 6kl of water will be not be charged and that indigent person will be fully subsidized for the same.
- That the average tariff increases will be as affordable as possible.

1.2.7 Overall impact of tariff increases on households

The following table shows the overall expected impact of the tariff increases on a large and small household, as well as an indigent household receiving free basic services.

Note that in all instances the overall impact of the tariff increases on household's bills has been kept to between 6 per cent and 9.6 per cent, with the increase for indigent households being to 6 per cent.

Table 9– Table SA14 Household bills

**NC451 Joe Morolong - Supporting Table SA14
Household bills**

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
<u>Monthly Account for Household - 'Middle Income Range'</u>	1										
Rates and services charges:											
Property rates								6.0%	120.03	127.23	134.44
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption								12.0%	2,522.87	2,825.62	3,128.36
Sanitation								6.0%	400.22	400.22	400.22
Refuse removal								6.0%	210.66	210.66	210.66
Other											
sub-total		-	-	-	-	-	-	-	3,253.78	3,563.73	3,873.68
VAT on Services											
Total large household bill:		-	-	-	-	-	-	-	3,253.78	3,563.73	3,873.68
% increase/-decrease			-	-	-	-	-		-	9.5%	8.7%
<u>Monthly Account for Household - 'Affordable Range'</u>	2										
Rates and services charges:											
Property rates								6.0%	68.73	72.86	76.98
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption								12.0%	698.64	782.48	866.32
Sanitation								-	-	-	-
Refuse removal								6.0%	29.46	29.46	29.46
Other											
sub-total		-	-	-	-	-	-	-	796.83	884.79	972.75
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	796.83	884.79	972.75
% increase/-decrease			-	-	-	-	-		-	11.0%	9.9%
<u>Monthly Account for Household - 'Indigent' Household receiving free basic services</u>	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption								9.6%	76.82	84.20	92.28
Water: Basic levy											
Water: Consumption								12.0%	5.65	6.33	7.09
Sanitation								6.0%	63.86	67.70	71.76
Refuse removal								6.0%	25.85	27.40	29.04
Other											
sub-total		-	-	-	-	-	-	-	172.19	185.62	200.17
VAT on Services											
Total small household bill:		-	-	-	-	-	-	-	172.19	185.62	200.17
% increase/-decrease			-	-	-	-	-		-	7.8%	7.8%

NC451 Joe Morolong - Supporting Table SA14
Household bills

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework			
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18 % incr.	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Rand/cent											
Monthly Account for Household - 'Middle Income Range'	1										
Rates and services charges:											
Property rates		94.19	99.84	106.83	113.24	113.24	113.24				
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		1,632.35	1,811.91	2,011.22	2,252.57	2,252.57	2,252.57				
Sanitation		314.05	332.89	356.19	377.56	377.56	377.56				
Refuse removal		165.30	175.22	187.49	198.73	198.73	198.73				
Other											
sub-total		2,205.89	2,419.86	2,661.73	2,942.10	2,942.10	2,942.10	(100.0%)	-	-	-
VAT on Services											
Total large household bill:		2,205.89	2,419.86	2,661.73	2,942.10	2,942.10	2,942.10	(100.0%)	-	-	-
% increase/-decrease			9.7%	10.0%	10.5%	-	-		(100.0%)	-	-
Monthly Account for Household - 'Affordable Range'	2										
Rates and services charges:											
Property rates		57.17	57.17	61.17	64.84	64.84	64.84				
Electricity: Basic levy											
Electricity: Consumption											
Water: Basic levy											
Water: Consumption		501.76	501.76	556.95	623.79	623.79	623.79				
Sanitation					-	-	-				
Refuse removal		24.50	24.50	26.22	27.79	27.79	27.79				
Other											
sub-total		583.43	583.43	644.34	716.42	716.42	716.42	(100.0%)	-	-	-
VAT on Services											
Total small household bill:		583.43	583.43	644.34	716.42	716.42	716.42	(100.0%)	-	-	-
% increase/-decrease			-	10.4%	11.2%	-	-		(100.0%)	-	-
Monthly Account for Household - 'Indigent' Household receiving free basic services	3										
Rates and services charges:											
Property rates											
Electricity: Basic levy											
Electricity: Consumption		57.00	57.00	63.95	70.09	70.09	70.09				
Water: Basic levy		-	-								
Water: Consumption		4.06	4.06	4.51	5.05	5.05	5.05				
Sanitation		53.12	53.12	56.84	60.25	60.25	60.25				
Refuse removal		21.50	21.50	23.01	24.39	24.39	24.39				
Other											
sub-total		135.68	135.68	148.30	159.77	159.77	159.77	(100.0%)	-	-	-
VAT on Services											
Total small household bill:		135.68	135.68	148.30	159.77	159.77	159.77	(100.0%)	-	-	-
% increase/-decrease			-	9.3%	7.7%	-	-		(100.0%)	-	-

1.3 Operating Expenditure Framework

The Municipality's expenditure framework for the 2017/18 budget and MTREF is informed by the following:

- Budgetary constraints (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- Funding compliance Budget Circular 42
- Operational gains and efficiencies will be directed to funding repairs and maintenance;
- Strict adherences to the principle of no project plan *no budget*. If there is no business plan no funding allocation can be made.

The following table is a high level summary of the 2017/18 budget and MTREF (classified per main type of operating expenditure):

Table 10 Summary of operating expenditure by standard classification item

NC451 Joe Morolong - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type											
Employee related costs	2	-	-	-	-	-	-	-	55,332	58,046	61,501
Remuneration of councillors									10,423	11,048	11,711
Debt impairment	3								3,092	3,274	3,464
Depreciation & asset impairment	2	-	-	-	-	-	-	-	10,000	10,590	11,204
Finance charges									784	835	884
Bulk purchases	2	-	-	-	-	-	-	-	12,340	13,055	13,812
Other materials	8										
Contracted services		-	-	-	-	-	-	-	21,167	22,372	19,017
Transfers and subsidies		-	-	-	-	-	-	-	5,143	5,691	6,021
Other expenditure	4, 5	-	-	-	-	-	-	-	39,153	43,319	49,228
Loss on disposal of PPE											
Total Expenditure		-	-	-	-	-	-	-	157,433	168,231	176,843

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Expenditure By Type											
Employee related costs	2	37,025	47,464	56,714	52,979	55,027	55,027	–	–	–	–
Remuneration of councillors		7,504	8,531	7,818	10,015	10,015	10,015				
Debt impairment	3	2,336	(59,839)	79,249	3,053	3,053	3,053				
Depreciation & asset impairment	2	24,326	26,491	57,118	10,000	10,000	10,000	–	–	–	–
Finance charges		232	202	3,664	943	978	978				
Bulk purchases	2	11,018	–	10,095	12,085	12,085	12,085	–	–	–	–
Other materials	8										
Contracted services		168	466	–	22,585	20,393	20,393	–	–	–	–
Transfers and grants		13,705	18,379	55,407	16,229	17,455	17,455	–	–	–	–
Other expenditure	4, 5	61,354	48,457	74,421	44,347	54,088	54,088	–	–	–	–
Loss on disposal of PPE											
Total Expenditure		157,668	90,151	344,486	172,236	183,093	183,093	–	–	–	–

The budgeted allocation for employee related costs for the 2017/18 financial year totals R57 million. The previous year's collective SALGBC wage increase averaged above inflation. Salary increases have been factored into this budget at a percentage increase of 6.0 per cent for the 2017/18 financial year. An annual increase of 6.0 per cent has been included in the two outer years of the MTREF.

The cost associated with the remuneration of Councilors is determined by the Minister of Cooperative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the municipality's budget.

The provision of debt impairment was determined based on an annual collection rate of 95 percent and the Debt Write-off Policy of the municipality.

Finance charges consist primarily of the repayment of interest on long-term borrowing (cost of capital). Finance charges which is R0.78million for 2017/18 and increases to R0.83 million by 2018/19.

Bulk purchases are directly informed by the purchase of electricity from Eskom and bulk water from Sedibeng Water. The annual price increases have been factored into

the budget appropriations and directly inform the revenue provisions. The expenditures include distribution losses.

Other expenditure comprises of various line items relating to the daily operations of the municipality including repairs and maintenance. This group of expenditure has also been investigated as a possible avenue where savings and efficiencies can be achieved but the cost under these items are relatively fixed due to the fact that we were already very conservative when compiling the budget, growth has been limited to average increase of 6.4 per cent for 2017/18 unless there was a specific reason for such line item to be more than inflation.

1.3.1 Repairs and Maintenance

Table 11 Repairs and Maintenance per asset class

NC451 Joe Morolong - Table A9 Consolidated Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand										
EXPENDITURE OTHER ITEMS										
<u>Repairs and Maintenance by Asset Class</u>	3	-	-	-	-	-	-	5,204	5,628	8,342
<i>Roads Infrastructure</i>		-	-	-	-	-	-	200	212	224
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	492	521	551
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	3,306	3,498	6,201
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	106	112	119
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	16	17
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	4,104	4,358	7,111
Community Facilities		-	-	-	-	-	-	350	370	392
Sport and Recreation Facilities		-	-	-	-	-	-	150	159	168
Community Assets		-	-	-	-	-	-	500	529	560
Heritage Assets		-	-	-	-	-	-	-	-	-
<i>Revenue Generating</i>		-	-	-	-	-	-	-	-	-
<i>Non-revenue Generating</i>		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
<i>Operational Buildings</i>		-	-	-	-	-	-	300	317	336
<i>Housing</i>		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	300	317	336
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
<i>Servitudes</i>		-	-	-	-	-	-	-	-	-
<i>Licences and Rights</i>		-	-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	100	106	112
Furniture and Office Equipment		-	-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	200	317	224
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS		-	-	-	-	-	-	15,204	16,218	19,546

NC451 Joe Morolong - Table A9 Asset Management

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	1,159,054	1,064,408	1,561,683	1,415,910	1,415,910	1,415,910	–	–	–
EXPENDITURE OTHER ITEMS										
<u>Repairs and Maintenance by Asset Class</u>	3	18,215	11,248	30,615	16,229	17,237	17,238	–	–	–
Infrastructure - Road transport		78	314	–	126	126	126	–	–	–
Infrastructure - Electricity		–	–	189	630	471	471	–	–	–
Infrastructure - Water		14,289	1,693	27,260	14,804	16,108	16,108	–	–	–
Infrastructure - Sanitation		13	84	129	145	95	95	–	–	–
Infrastructure - Other		848	5,053	–	–	–	–	–	–	–
Infrastructure		15,228	7,145	27,577	15,705	16,800	16,800	–	–	–
Community		187	2	918	21	(1)	–	–	–	–
Heritage assets		–	–	–	–	–	–	–	–	–
Investment properties		–	–	–	–	–	–	–	–	–
Other assets	6, 7	2,800	4,102	2,121	503	438	438	–	–	–
TOTAL EXPENDITURE OTHER ITEMS		42,541	37,739	87,733	26,229	27,237	27,238	–	–	–

For the 2017/18 financial year, R4.1 million of total repairs and maintenance will be spent on infrastructure assets. Water infrastructure has received a significant proportion of this allocation totalling up to R3.3 million, followed by roads and electricity infrastructure, other infrastructure and sanitation. Community assets has been allocated R0.5 million and other assets has been allocated R0.3 million of total repairs and maintenance.

1.4 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 12 2017/18 Medium-term capital budget per vote

NC451 Joe Morolong - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	-	-	-	3,876	1,845	1,850
Executive and council									3,876	1,845	1,850
Finance and administration											
Internal audit											
Community and public safety		-	-	-	-	-	-	-	7,186	14,918	15,834
Community and social services									5,022	4,255	4,502
Sport and recreation									164	8,757	8,680
Public safety									2,000	1,906	2,652
Housing											
Health											
Economic and environmental services		-	-	-	-	-	-	-	15,895	20,686	6,916
Planning and development									200	212	225
Road transport									15,695	20,474	6,691
Environmental protection											
Trading services		-	-	-	-		-	-	87,512	127,366	149,646
Energy sources											
Water management									70,397	114,571	131,076
Waste water management							-	-	17,115	12,795	18,570
Waste management											
Other											
Total Capital Expenditure - Functional	3	-	-	-	-		-	-	114,469	164,815	174,246

NC451 Joe Morolong - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Standard											
Governance and administration		1,515	2,488	45,102	2,720	2,762	2,762	-	-	-	-
Executive and council		667	621	44,507	40	40	40				
Budget and treasury office		848	1,866	156	150	150	150				
Corporate services				440	2,530	2,572	2,572				
Community and public safety		-	12,405	3,501	12,031	6,597	6,597	-	-	-	-
Community and social services			12,405	3,501	5,270	5,597	5,597				
Sport and recreation					5,761	-	-				
Public safety					1,000	1,000	1,000				
Housing											
Health											
Economic and environmental services		29,423	40,570	23,373	20,474	20,474	20,474	-	-	-	-
Planning and development		62									
Road transport		29,361	40,570	23,373	20,474	20,474	20,474				
Environmental protection											
Trading services		100,208	126,309	55,208	102,101	119,835	119,835	-	-	-	-
Electricity											
Water		80,822	109,290	30,318	90,450	105,303	105,303				
Waste water management		19,386	17,018	24,890	11,652	14,532	14,532				
Waste management											
Other											
Total Capital Expenditure - Standard	3	131,146	181,772	127,184	137,326	149,668	149,668	-	-	-	-

For 2017/18 an amount of R 114 million has been budgeted for the capital expenses and increases to R 164.7 million in 2018/19. For 2017/18 financial year water receives the highest allocation of R 70.3 million, which represent 61.6 per cent followed by waste water management at R 17 million at 14 per cent and then roads at R 15.7 million at 14 per cent.

Total budget for capital expenditure amount to R114 million.

The capital budget for the 2017/18 financial year amounts to R 114 Million with the main focus on the following:

❖ Provision of water	R 70.3 Million
❖ Roads	R 15.7 Million
❖ Sanitation	R 17.1 Million
❖ Traffic Testing Centre	R 2 Million
❖ Community Halls	R 4.0 Million
❖ Cemeteries	R 1.0 Million
❖ Computers, Offices Equipment & Other	R 1.2 Million
❖ Municipal Office Fencing	R 1.6 million
❖ Telecommunication(upgrade)	R1 million

Capital projects for the 2017/18 financial year are funded from grants receivable from the National Government amounting to R 103 Million and own funding to the amount of R 10.8 Million

1.5 Annual Budget Tables

The following pages present the ten main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as approved by the Council. Each table is accompanied by *explanatory notes* on the facing page

NC451 Joe Morolong - Table A1 Consolidated Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	-	-	-	-	-	-	-	13,054	13,824	14,625
Service charges	-	-	-	-	-	-	-	25,743	28,411	31,367
Investment revenue	-	-	-	-	-	-	-	-	-	-
Transfers recognised - operational	-	-	-	-	-	-	-	127,801	133,836	139,679
Other own revenue	-	-	-	-	-	-	-	866	868	917
Total Revenue (excluding capital transfers and contributions)	-	-	-	-	-	-	-	167,463	176,938	186,589
Employee costs	-	-	-	-	-	-	-	54,329	57,999	61,450
Remuneration of councillors	-	-	-	-	-	-	-	10,423	11,048	11,711
Depreciation & asset impairment	-	-	-	-	-	-	-	10,000	10,590	11,204
Finance charges	-	-	-	-	-	-	-	784	835	884
Materials and bulk purchases	-	-	-	-	-	-	-	12,340	13,055	13,812
Transfers and grants	-	-	-	-	-	-	-	5,143	5,691	6,021
Other expenditure	-	-	-	-	-	-	-	63,188	69,273	72,036
Total Expenditure	-	-	-	-	-	-	-	156,206	168,492	177,119
Surplus/(Deficit)	-	-	-	-	-	-	-	11,257	8,446	9,470
Transfers and subsidies - capital (monetary alloc	-	-	-	-	-	-	-	103,007	156,308	164,793
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	-	-	-	-	-	-	-	114,264	164,754	174,263
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	-	-	-	-	-	-	-	114,264	164,754	174,263
Capital expenditure & funds sources										
Capital expenditure	-	-	-	-	-	-	-	114,264	164,739	174,246
Transfers recognised - capital	-	-	-	-	-	-	-	103,492	156,883	165,383
Public contributions & donations	-	-	-	-	-	-	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	-	-	-	-	-	-	-	10,772	7,855	8,863
Total sources of capital funds	-	-	-	-	-	-	-	114,264	164,739	174,246
Financial position										
Total current assets	-	-	-	-	-	-	-	63,885	68,196	82,490
Total non current assets	-	-	-	-	-	-	-	1,803,955	1,969,114	2,143,810
Total current liabilities	-	-	-	-	-	-	-	784	835	884
Total non current liabilities	-	-	-	-	-	-	-	1,609	1,424	924
Community wealth/Equity	-	-	-	-	-	-	-	1,865,447	2,035,050	2,224,492
Cash flows										
Net cash from (used) operating	-	-	-	-	-	-	-	125,416	176,507	186,631
Net cash from (used) investing	-	-	-	-	-	-	-	(114,264)	(164,739)	(174,246)
Net cash from (used) financing	-	-	-	-	-	-	-	-	-	-
Cash/cash equivalents at the year end	-	-	-	-	-	-	-	23,529	35,297	47,682
Cash backing/surplus reconciliation										
Cash and investments available	-	-	-	-	-	-	-	17,877	15,877	20,877
Application of cash and investments	-	-	-	-	-	-	-	(39,781)	(43,217)	(46,967)
Balance - surplus (shortfall)	-	-	-	-	-	-	-	57,658	59,094	67,844
Asset management										
Asset register summary (WDV)	-	-	-	-	-	-	1,803,955	1,803,955	1,969,114	2,143,810
Depreciation	-	-	-	-	-	-	10,000	10,000	10,590	11,204
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	-	-	-	-	-	-	5,204	5,204	5,628	8,342
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	-	-	-	-	-	-	-	-	-	-
Households below minimum service level										
Water:	-	-	-	-	-	-	1	1	1	1
Sanitation/sewage:	-	-	-	-	-	-	3	3	3	2
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	-	-	-	-	-	-	24	24	24	24

NC451 Joe Morolong - Table A1 Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousands										
Financial Performance										
Property rates	3,371	12,134	10,418	12,863	12,863	12,863	-	-	-	-
Service charges	12,505	20,551	30,945	24,809	24,809	24,809	-	-	-	-
Investment revenue	260	1,155	2,706	-	597	597	-	-	-	-
Transfers recognised - operational	74,257	195,240	140,729	122,361	129,207	129,207	-	-	-	-
Other own revenue	4,849	5,409	10,216	1,476	4,440	4,440	-	-	-	-
Total Revenue (excluding capital transfers and contributions)	95,241	234,489	195,014	161,508	171,915	171,915	-	-	-	-
Employee costs	37,025	47,464	56,714	52,979	55,027	55,027	-	-	-	-
Remuneration of councillors	7,504	8,531	7,818	10,015	10,015	10,015	-	-	-	-
Depreciation & asset impairment	24,326	26,491	57,118	10,000	10,000	10,000	-	-	-	-
Finance charges	232	202	3,664	943	978	978	-	-	-	-
Materials and bulk purchases	11,018	-	10,095	12,085	12,085	12,085	-	-	-	-
Transfers and grants	13,705	18,379	55,407	16,229	17,455	17,455	-	-	-	-
Other expenditure	63,858	(10,917)	153,670	69,985	77,533	77,533	-	-	-	-
Total Expenditure	157,668	90,151	344,486	172,236	183,093	183,093	-	-	-	-
Surplus/(Deficit)	(62,426)	144,338	(149,471)	(10,728)	(11,178)	(11,178)	-	-	-	-
Transfers recognised - capital	127,472	66,249	150,193	140,131	150,323	150,323	-	-	-	-
Contributions recognised - capital & contributed a	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) after capital transfers & contributions	65,046	210,588	722	129,403	139,146	139,146	-	-	-	-
Share of surplus/ (deficit) of associate	-	-	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	65,046	210,588	722	129,403	139,146	139,146	-	-	-	-
Capital expenditure & funds sources										
Capital expenditure	131,146	181,772	127,184	137,326	149,668	149,668	-	-	-	-
Transfers recognised - capital	100,292	140,166	70,186	129,377	131,721	131,721	-	-	-	-
Public contributions & donations	29,340	26,712	8,990	-	9,643	9,643	-	-	-	-
Borrowing	-	-	-	-	-	-	-	-	-	-
Internally generated funds	1,514	14,893	48,008	7,949	8,304	8,304	-	-	-	-
Total sources of capital funds	131,146	181,772	127,184	137,326	149,668	149,668	-	-	-	-
Financial position										
Total current assets	44,658	64,761	18,354	9,359	9,359	9,359	-	-	-	-
Total non current assets	1,159,054	1,228,269	1,689,341	1,644,189	1,644,189	1,644,189	-	-	-	-
Total current liabilities	51,619	57,059	89,465	14,525	14,525	14,525	-	-	-	-
Total non current liabilities	4,194	3,368	19,812	3,834	3,834	3,834	-	-	-	-
Community wealth/Equity	1,147,900	1,232,604	1,598,419	1,635,190	1,635,190	1,635,190	-	-	-	-
Cash flows										
Net cash from (used) operating	149,643	174,898	106,443	158,038	175,111	175,111	-	-	-	-
Net cash from (used) investing	(130,784)	(181,312)	(127,184)	(137,326)	(149,668)	(149,668)	-	-	-	-
Net cash from (used) financing	(1,225)	(638)	649	(784)	(784)	(784)	-	-	-	-
Cash/cash equivalents at the year end	15,065	8,164	(4,661)	21,982	26,713	26,713	-	-	-	-
Cash backing/surplus reconciliation										
Cash and investments available	11,604	(16,123)	(3,693)	260	260	260	-	-	-	-
Application of cash and investments	(18,912)	(134,850)	79,995	7,609	8,000	8,000	-	-	-	-
Balance - surplus (shortfall)	30,516	118,727	(83,687)	(7,349)	(7,740)	(7,740)	-	-	-	-
Asset management										
Asset register summary (WDV)	1,159,054	1,064,408	1,561,683	1,415,910	1,415,910	1,415,910	-	-	-	-
Depreciation & asset impairment	24,326	26,491	57,118	10,000	10,000	10,000	-	-	-	-
Renewal of Existing Assets	-	-	-	-	-	-	-	-	-	-
Repairs and Maintenance	18,215	11,248	30,615	16,229	17,237	17,238	-	-	-	-
Free services										
Cost of Free Basic Services provided	-	-	-	-	-	-	-	-	-	-
Revenue cost of free services provided	28,771	-	-	19,633	19,633	19,633	-	-	-	-
Households below minimum service level										
Water:	2	2	2	1	1	1	-	-	-	-
Sanitation/sewerage:	3	3	3	3	3	3	-	-	-	-
Energy:	-	-	-	-	-	-	-	-	-	-
Refuse:	23	24	24	24	24	24	-	-	-	-

Table 13 – Table A1 Budget Summary

Explanatory notes: Table A1 Budget Summary

- Table A1 is a budget summary and provides a concise overview of the municipality's budget from all of the major financial perspectives (operating, capital expenditure, financial position, cash flow, and MFMA funding compliance).
- The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminating basic service delivery backlogs.
- Financial management reforms emphasizes the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard: a. The operating surplus/deficit (after Total Expenditure) is positive over the next three years (MTREF)
- Capital expenditure is balanced by capital funding sources, of which
 - i. Transfers recognized is reflected on the Financial Performance Budget;
 - ii. Internally generated funds are financed from a combination of the current operating surplus.

Table 14 – Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

NC451 Joe Morolong - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	137,334	144,945	151,430
Executive and council		-	-	-	-	-	-	6,531	6,863	7,197
Finance and administration		-	-	-	-	-	-	130,803	138,082	144,233
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	2,726	1,731	1,506
Community and social services		-	-	-	-	-	-	2,706	1,710	1,484
Sport and recreation		-	-	-	-	-	-	20	21	22
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	61,245	64,735	68,419
Planning and development		-	-	-	-	-	-	61,155	64,636	68,310
Road transport		-	-	-	-	-	-	90	99	109
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	70,803	123,474	131,435
Energy sources		-	-	-	-	-	-	6,080	6,566	7,092
Water management		-	-	-	-	-	-	61,772	113,781	121,031
Waste water management		-	-	-	-	-	-	1,951	2,068	2,192
Waste management		-	-	-	-	-	-	1,000	1,059	1,120
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	272,108	334,884	352,790
Expenditure - Functional										
<i>Governance and administration</i>		-	-	-	-	-	-	74,826	80,811	85,710
Executive and council		-	-	-	-	-	-	20,406	22,071	23,384
Finance and administration		-	-	-	-	-	-	54,420	58,740	62,326
Internal audit		-	-	-	-	-	-	-	-	-
<i>Community and public safety</i>		-	-	-	-	-	-	8,674	9,194	9,415
Community and social services		-	-	-	-	-	-	8,674	9,194	9,415
Sport and recreation		-	-	-	-	-	-	-	-	-
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
<i>Economic and environmental services</i>		-	-	-	-	-	-	10,627	12,693	14,178
Planning and development		-	-	-	-	-	-	9,909	11,829	13,259
Road transport		-	-	-	-	-	-	718	864	919
Environmental protection		-	-	-	-	-	-	-	-	-
<i>Trading services</i>		-	-	-	-	-	-	63,676	67,192	68,971
Energy sources		-	-	-	-	-	-	10,199	11,042	11,683
Water management		-	-	-	-	-	-	51,556	54,310	55,337
Waste water management		-	-	-	-	-	-	659	698	740
Waste management		-	-	-	-	-	-	1,263	1,142	1,211
<i>Other</i>	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	157,803	169,890	178,273
Surplus/(Deficit) for the year		-	-	-	-	-	-	114,305	164,994	174,516

NC451 Joe Morolong - Table A2 Consolidated Budgeted Financial Performance (revenue and expenditure by functional classification)

Functional Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional										
Governance and administration		-	-	-	-	-	-	137,334	144,945	151,430
Executive and council		-	-	-	-	-	-	6,531	6,863	7,197
Finance and administration		-	-	-	-	-	-	130,803	138,082	144,233
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	1,088	93	98
Community and social services		-	-	-	-	-	-	1,068	72	76
Sport and recreation		-	-	-	-	-	-	20	21	22
Public safety		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	61,245	64,735	68,419
Planning and development		-	-	-	-	-	-	61,155	64,636	68,310
Road transport		-	-	-	-	-	-	90	99	109
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	70,803	123,474	131,435
Energy sources		-	-	-	-	-	-	6,080	6,566	7,092
Water management		-	-	-	-	-	-	61,772	113,781	121,031
Waste water management		-	-	-	-	-	-	1,951	2,068	2,192
Waste management		-	-	-	-	-	-	1,000	1,059	1,120
Other	4	-	-	-	-	-	-	-	-	-
Total Revenue - Functional	2	-	-	-	-	-	-	270,470	333,246	351,382
Expenditure - Functional										
Governance and administration		-	-	-	-	-	-	74,344	80,329	85,228
Executive and council		-	-	-	-	-	-	20,256	21,912	23,216
Finance and administration		-	-	-	-	-	-	54,088	58,417	62,012
Internal audit		-	-	-	-	-	-	-	-	-
Community and public safety		-	-	-	-	-	-	8,482	9,147	9,668
Community and social services		-	-	-	-	-	-	7,709	8,224	8,687
Sport and recreation		-	-	-	-	-	-	723	869	925
Public safety		-	-	-	-	-	-	50	53	56
Housing		-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-
Economic and environmental services		-	-	-	-	-	-	9,909	11,829	13,259
Planning and development		-	-	-	-	-	-	9,909	11,829	13,259
Road transport		-	-	-	-	-	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-
Trading services		-	-	-	-	-	-	63,471	67,187	68,965
Energy sources		-	-	-	-	-	-	10,199	11,042	11,683
Water management		-	-	-	-	-	-	51,556	54,310	55,337
Waste water management		-	-	-	-	-	-	659	698	740
Waste management		-	-	-	-	-	-	1,057	1,137	1,205
Other	4	-	-	-	-	-	-	-	-	-
Total Expenditure - Functional	3	-	-	-	-	-	-	156,206	168,492	177,119
Surplus/(Deficit) for the year		-	-	-	-	-	-	114,264	164,754	174,263

NC451 Joe Morolong - Table A2 Budgeted Financial Performance (revenue and expenditure by standard classification)

Standard Classification Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Standard										
Governance and administration		82,034	114,151	–	130,233	133,829	133,829	–	–	–
Executive and council		4,581	5,317	–	6,315	6,315	6,315	–	–	–
Budget and treasury office		77,307	108,622	–	123,606	127,163	127,163	–	–	–
Corporate services		146	212	–	312	351	351	–	–	–
Community and public safety		608	2,953	–	2,754	9,542	9,542	–	–	–
Community and social services		608	2,953	–	2,634	2,635	2,635	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	120	60	60	–	–	–
Housing		–	–	–	–	6,846	6,846	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		95,565	109,676	–	57,929	57,953	57,953	–	–	–
Planning and development		66,204	69,106	–	57,929	57,953	57,953	–	–	–
Road transport		29,361	40,570	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		91,815	129,991	–	109,072	119,265	119,265	–	–	–
Electricity		4,914	4,555	–	7,038	7,038	7,038	–	–	–
Water		66,677	107,550	–	101,114	111,306	111,306	–	–	–
Waste water management		19,386	17,018	–	–	–	–	–	–	–
Waste management		838	868	–	920	920	920	–	–	–
Other	4	–	–	–	–	–	–	–	–	–
Total Revenue - Standard	2	270,022	356,770	–	299,989	320,588	320,588	–	–	–
Expenditure - Standard										
Governance and administration		80,554	18,799	–	70,882	72,376	72,376	–	–	–
Executive and council		17,185	17,807	–	18,741	19,544	19,544	–	–	–
Budget and treasury office		41,299	(11,394)	–	38,125	38,096	38,096	–	–	–
Corporate services		22,070	12,386	–	14,017	14,737	14,737	–	–	–
Community and public safety		10,276	8,865	–	8,584	16,115	16,115	–	–	–
Community and social services		5,643	8,865	–	7,643	8,322	8,322	–	–	–
Sport and recreation		–	–	–	–	–	–	–	–	–
Public safety		–	–	–	940	609	609	–	–	–
Housing		4,634	–	–	–	7,184	7,184	–	–	–
Health		–	–	–	–	–	–	–	–	–
Economic and environmental services		13,759	23,715	–	9,749	9,603	9,603	–	–	–
Planning and development		13,759	23,715	–	9,749	9,603	9,603	–	–	–
Road transport		–	–	–	–	–	–	–	–	–
Environmental protection		–	–	–	–	–	–	–	–	–
Trading services		53,079	40,241	–	71,730	71,152	71,152	–	–	–
Electricity		7,002	6,753	–	10,185	9,528	9,528	–	–	–
Water		46,077	33,487	–	59,845	59,514	59,514	–	–	–
Waste water management		–	–	–	702	891	891	–	–	–
Waste management		–	–	–	998	1,219	1,219	–	–	–
Other	4	–	–	–	–	–	–	–	–	–
Total Expenditure - Standard	3	157,668	91,620	–	160,945	169,247	169,247	–	–	–
Surplus/(Deficit) for the year		112,354	265,150	–	139,044	151,341	151,341	–	–	–

Explanatory notes to MBRR Table A2 - Budgeted Financial Performance (revenue and expenditure by standard classification)

Table A2 is a view of the budgeted financial performance in relation to revenue and expenditure per standard classification. The modified GFS standard classification divides the municipal services into 15 functional areas. Municipal revenue, operating expenditure and capital expenditure are then classified in terms of each of these functional areas which enables the National Treasury to compile 'whole of government' reports.

Note the Total Revenue on this table includes capital revenues (Transfers recognised – capital) and so does not balance to the operating revenue shown on Table A4.

Note that as a general principle the revenues for the Trading Services should exceed their expenditures.

Table 15 – Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

NC451 Joe Morolong - Table A3 Consolidated Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	6,531	6,863	7,197
Vote 2 - Budget & Treasury Office		-	-	-	-	-	-	130,479	137,790	143,930
Vote 3 - Corporate Support Services		-	-	-	-	-	-	325	292	303
Vote 4 - Community Services		-	-	-	-	-	-	5,766	4,957	4,927
Vote 5 - Technical Services		-	-	-	-	-	-	61,155	64,636	68,310
Vote 6 - Electricity Services		-	-	-	-	-	-	6,080	6,566	7,092
Vote 7 - Water Services		-	-	-	-	-	-	61,772	113,781	121,031
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	-	-	-
Total Revenue by Vote	2	-	-	-	-	-	-	272,108	334,884	352,790
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		-	-	-	-	-	-	20,406	22,071	23,384
Vote 2 - Budget & Treasury Office		-	-	-	-	-	-	38,926	42,333	44,950
Vote 3 - Corporate Support Services		-	-	-	-	-	-	15,493	16,408	17,376
Vote 4 - Community Services		-	-	-	-	-	-	10,015	10,533	11,162
Vote 5 - Technical Services		-	-	-	-	-	-	5,968	6,316	6,684
Vote 6 - Electricity Services		-	-	-	-	-	-	10,199	11,042	11,683
Vote 7 - Water Services		-	-	-	-	-	-	51,556	54,310	55,337
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	3,941	5,513	6,574
Total Expenditure by Vote	2	-	-	-	-	-	-	156,504	168,525	177,152
Surplus/(Deficit) for the year	2	-	-	-	-	-	-	115,604	166,359	175,638

NC451 Joe Morolong - Table A3 Budgeted Financial Performance (revenue and expenditure by municipal vote)

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue by Vote	1									
Vote 1 - Executive & Council		4,581	5,317	-	6,315	6,315	6,315	-	-	-
Vote 2 - Budget & Treasury Office		78,857	111,156	-	123,606	127,163	127,163	-	-	-
Vote 3 - Corporate Support Services		146	212	-	312	351	351	-	-	-
Vote 4 - Community Services		2,884	5,377	-	5,325	12,112	12,112	-	-	-
Vote 5 - Technical Services		63,708	69,106	-	57,929	57,929	57,929	-	-	-
Vote 6 - Electricity Services		4,914	4,555	-	7,038	7,038	7,038	-	-	-
Vote 7 - Water Services		66,677	107,550	-	101,114	111,306	111,306	-	-	-
Vote 8 - Development & Town Planning Services		2,496	-	-	-	24	24	-	-	-
Total Revenue by Vote	2	224,264	303,273	-	301,639	322,239	322,239	-	-	-
Expenditure by Vote to be appropriated	1									
Vote 1 - Executive & Council		17,185	17,807	-	18,741	19,544	19,544	-	-	-
Vote 2 - Budget & Treasury Office		41,299	(11,394)	-	38,125	38,096	38,096	-	-	-
Vote 3 - Corporate Support Services		22,070	12,386	-	14,017	14,737	14,737	-	-	-
Vote 4 - Community Services		10,276	8,865	-	10,284	18,225	18,225	-	-	-
Vote 5 - Technical Services		3,847	-	-	5,594	5,526	5,526	-	-	-
Vote 6 - Electricity Services		7,002	6,753	-	10,185	9,528	9,528	-	-	-
Vote 7 - Water Services		54,077	33,487	-	59,845	59,514	59,514	-	-	-
Vote 8 - Development & Town Planning Services		9,912	2,189	-	4,155	4,077	4,077	-	-	-
Total Expenditure by Vote	2	165,668	70,094	-	160,945	169,247	169,247	-	-	-
Surplus/(Deficit) for the year	2	58,596	233,179	-	140,694	152,991	152,991	-	-	-

**Explanatory notes to MBRR Table A3 - Budgeted Financial Performance
(revenue and expenditure by municipal vote)**

Table A3 is a view of the budgeted financial performance in relation to the revenue and expenditure per municipal vote. This table facilitates the view of the total budgeted operating and capital expenditure performance in relation to the organisational structure of the municipality. This table also presents the overall surplus of the municipality for each budget year. The operating expenditure is separately presented on table A4 and the capital expenditure presented on table A5

Table 16 – Table A4 Budgeted Financial Performance (revenue and expenditure)

NC451 Joe Morolong - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	13,054	13,824	14,625
Service charges - electricity revenue	2	–	–	–	–	–	–	–	6,080	6,566	7,092
Service charges - water revenue	2	–	–	–	–	–	–	–	16,712	18,718	20,964
Service charges - sanitation revenue	2	–	–	–	–	–	–	–	1,951	2,068	2,192
Service charges - refuse revenue	2	–	–	–	–	–	–	–	1,000	1,059	1,120
Service charges - other											
Rental of facilities and equipment									167	177	187
Interest earned - external investments											
Interest earned - outstanding debtors									55	58	62
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services									90	99	109
Transfers and subsidies									129,439	135,474	141,087
Other revenue	2	–	–	–	–	–	–	–	554	534	559
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		–	–	–	–	–	–	–	169,101	178,576	187,997
Expenditure By Type											
Employee related costs	2	–	–	–	–	–	–	–	55,332	58,046	61,501
Remuneration of councillors									10,423	11,048	11,711
Debt impairment	3								3,092	3,274	3,464
Depreciation & asset impairment	2	–	–	–	–	–	–	–	10,000	10,590	11,204
Finance charges									784	835	884
Bulk purchases	2	–	–	–	–	–	–	–	12,340	13,055	13,812
Other materials	8										
Contracted services		–	–	–	–	–	–	–	21,167	22,372	19,017
Transfers and subsidies		–	–	–	–	–	–	–	5,143	5,691	6,021
Other expenditure	4, 5	–	–	–	–	–	–	–	39,153	43,319	49,228
Loss on disposal of PPE											
Total Expenditure		–	–	–	–	–	–	–	157,433	168,231	176,843
Surplus/(Deficit)		–	–	–	–	–	–	–	11,668	10,345	11,154
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)									103,007	156,308	164,793
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		–	–	–	–	–	–	–	114,675	166,654	175,947
Taxation											
Surplus/(Deficit) after taxation		–	–	–	–	–	–	–	114,675	166,654	175,947
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		–	–	–	–	–	–	–	114,675	166,654	175,947
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		–	–	–	–	–	–	–	114,675	166,654	175,947

NC451 Joe Morolong - Table A4 Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	3,371	12,134	10,418	12,863	12,863	12,863	–	–	–	–
Property rates - penalties & collection charges											
Service charges - electricity revenue	2	4,914	4,555	5,259	7,038	7,038	7,038	–	–	–	–
Service charges - water revenue	2	5,315	13,571	22,823	15,200	15,200	15,200	–	–	–	–
Service charges - sanitation revenue	2	1,439	1,557	1,887	1,650	1,650	1,650	–	–	–	–
Service charges - refuse revenue	2	838	868	976	920	920	920	–	–	–	–
Service charges - other											
Rental of facilities and equipment		100	74	61	93	150	150				
Interest earned - external investments		260	1,155	2,706		597	597				
Interest earned - outstanding debtors		3,727	4,583	7,337	50	2,987	2,987				
Dividends received			–			–	–				
Fines			–			–	–				
Licences and permits			–			–	–				
Agency services			–		120	60	60				
Transfers recognised - operational		74,257	195,240	140,729	122,361	129,207	129,207				
Other revenue	2	1,022	751	2,818	1,212	1,243	1,243	–	–	–	–
Gains on disposal of PPE											
Total Revenue (excluding capital transfers and contributions)		95,241	234,489	195,014	161,508	171,915	171,915	–	–	–	–
Expenditure By Type											
Employee related costs	2	37,025	47,464	56,714	52,979	55,027	55,027	–	–	–	–
Remuneration of councillors		7,504	8,531	7,818	10,015	10,015	10,015				
Debt impairment	3	2,336	(59,839)	79,249	3,053	3,053	3,053				
Depreciation & asset impairment	2	24,326	26,491	57,118	10,000	10,000	10,000	–	–	–	–
Finance charges		232	202	3,664	943	978	978				
Bulk purchases	2	11,018	–	10,095	12,085	12,085	12,085	–	–	–	–
Other materials	8										
Contracted services		168	466	–	22,585	20,393	20,393	–	–	–	–
Transfers and grants		13,705	18,379	55,407	16,229	17,455	17,455	–	–	–	–
Other expenditure	4, 5	61,354	48,457	74,421	44,347	54,088	54,088	–	–	–	–
Loss on disposal of PPE											
Total Expenditure		157,668	90,151	344,486	172,236	183,093	183,093	–	–	–	–
Surplus/(Deficit)		(62,426)	144,338	(149,471)	(10,728)	(11,178)	(11,178)	–	–	–	–
Transfers recognised - capital		127,472	66,249	150,193	140,131	150,323	150,323				
Contributions recognised - capital	6	–	–	–	–	–	–	–	–	–	–
Contributed assets											
Surplus/(Deficit) after capital transfers & contributions		65,046	210,588	722	129,403	139,146	139,146	–	–	–	–
Taxation											
Surplus/(Deficit) after taxation		65,046	210,588	722	129,403	139,146	139,146	–	–	–	–
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		65,046	210,588	722	129,403	139,146	139,146	–	–	–	–
Share of surplus/ (deficit) of associate	7										
Surplus/(Deficit) for the year		65,046	210,588	722	129,403	139,146	139,146	–	–	–	–

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

Total operating revenue is R 167. Million for 2017/18 and increase to R 177 and then increases to R 187 Million by 2018/19 and 2019/20 respectively.

Revenue to be generated from property rates will be R 13 Million in the 2017/18 and increase to R 13.8 million by 2018/19 financial year.

Services charges relating to electricity, water, sanitation and refuse removal constitutes R 25.7 million in 2017/18 and increases to R 28.4 million in 2018/19. This growth can mainly be attributed to the increase in the bulk prices of electricity and water.

Transfers recognised – operating income includes the local government equitable share and other operating grants from national and provincial government. It needs to be noted that in real terms the grants receipts from national government are increasing.

The total operational expenditure amounts to R 156 million for 2017/18 and increase to R168 million by 2018/19.

Table 17– Table A5 Budgeted Capital Expenditure by vote, standard classification and funding source

NC451 Joe Morolong - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Support Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		-	-	-	-	-	-	-	17,065	21,422	27,194
Vote 5 - Technical Services		-	-	-	-	-	-	-	15,695	20,474	6,691
Vote 6 - Electricity Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services		-	-	-	-	-	-	-	70,247	114,412	130,908
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	-	-	-	-	-	-	-	103,007	156,308	164,793
Single-year expenditure to be appropriated	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office		-	-	-	-	-	-	-	485	575	590
Vote 3 - Corporate Support Services		-	-	-	-	-	-	-	3,391	1,270	1,260
Vote 4 - Community Services		-	-	-	-	-	-	-	7,236	6,291	7,210
Vote 5 - Technical Services		-	-	-	-	-	-	-	200	212	225
Vote 6 - Electricity Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services		-	-	-	-	-	-	-	150	159	168
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		-	-	-	-	-	-	-	11,462	8,507	9,453
Total Capital Expenditure - Vote		-	-	-	-	-	-	-	114,469	164,815	174,246
Capital Expenditure - Functional											
Governance and administration		-	-	-	-	-	-	-	3,876	1,845	1,850
Executive and council											
Finance and administration									3,876	1,845	1,850
Internal audit											
Community and public safety		-	-	-	-	-	-	-	7,186	14,918	15,834
Community and social services									5,022	4,255	4,502
Sport and recreation									164	8,757	8,680
Public safety									2,000	1,906	2,652
Housing											
Health											
Economic and environmental services		-	-	-	-	-	-	-	15,895	20,686	6,916
Planning and development									200	212	225
Road transport									15,695	20,474	6,691
Environmental protection											
Trading services		-	-	-	-	41	-	-	87,512	127,366	149,646
Energy sources											
Water management									70,397	114,571	131,076
Waste water management						41	-	-	17,115	12,795	18,570
Waste management											
Other											
Total Capital Expenditure - Functional	3	-	-	-	-	41	-	-	114,469	164,815	174,246
Funded by:											
National Government									103,492	156,883	165,383
Provincial Government									164	77	
District Municipality											
Other transfers and grants											
Transfers recognised - capital	4	-	-	-	-	-	-	-	103,656	156,960	165,383
Public contributions & donations	5										
Borrowing	6										
Internally generated funds									10,813	7,855	8,863
Total Capital Funding	7	-	-	-	-	-	-	-	114,469	164,815	174,246

NC451 Joe Morolong - Table A5 Budgeted Capital Expenditure by vote, standard classification and funding

Vote Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
<u>Multi-year expenditure to be appropriated</u>	2										
Vote 1 - Executive & Council		-	-	-	-	-	-	-	-	-	-
Vote 2 - Budget & Treasury Office		-	-	-	-	-	-	-	-	-	-
Vote 3 - Corporate Support Services		-	-	-	-	-	-	-	-	-	-
Vote 4 - Community Services		19,386	17,018	24,890	17,412	14,532	14,532	-	-	-	-
Vote 5 - Technical Services		29,361	40,570	23,373	20,474	20,474	20,474	-	-	-	-
Vote 6 - Electricity Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services		80,822	109,290	30,318	90,241	105,094	105,094	-	-	-	-
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	-	-	-	-
Capital multi-year expenditure sub-total	7	129,569	166,879	78,581	128,127	140,100	140,100	-	-	-	-
<u>Single-year expenditure to be appropriated</u>	2										
Vote 1 - Executive & Council		667	621	44,507	40	40	40	-	-	-	-
Vote 2 - Budget & Treasury Office		521	(15)	156	150	150	150	-	-	-	-
Vote 3 - Corporate Support Services		327	1,881	440	2,530	2,572	2,572	-	-	-	-
Vote 4 - Community Services		-	12,405	3,501	6,270	6,597	6,597	-	-	-	-
Vote 5 - Technical Services		-	-	-	-	-	-	-	-	-	-
Vote 6 - Electricity Services		-	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services		-	-	-	-	-	-	-	-	-	-
Vote 8 - Development & Town Planning Services		-	-	-	-	-	-	-	-	-	-
Capital single-year expenditure sub-total		1,515	14,893	48,603	8,990	9,359	9,359	-	-	-	-
Total Capital Expenditure - Vote		131,084	181,772	127,184	137,117	149,459	149,459	-	-	-	-
<u>Capital Expenditure - Standard</u>											
<u>Governance and administration</u>		1,515	2,488	45,102	2,720	2,762	2,762	-	-	-	-
Executive and council		667	621	44,507	40	40	40	-	-	-	-
Budget and treasury office		848	1,866	156	150	150	150	-	-	-	-
Corporate services		-	-	440	2,530	2,572	2,572	-	-	-	-
<u>Community and public safety</u>		-	12,405	3,501	12,031	6,597	6,597	-	-	-	-
Community and social services		-	12,405	3,501	5,270	5,597	5,597	-	-	-	-
Sport and recreation		-	-	-	5,761	-	-	-	-	-	-
Public safety		-	-	-	1,000	1,000	1,000	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-	-
Health		-	-	-	-	-	-	-	-	-	-
<u>Economic and environmental services</u>		29,423	40,570	23,373	20,474	20,474	20,474	-	-	-	-
Planning and development		62	-	-	-	-	-	-	-	-	-
Road transport		29,361	40,570	23,373	20,474	20,474	20,474	-	-	-	-
Environmental protection		-	-	-	-	-	-	-	-	-	-
<u>Trading services</u>		100,208	126,309	55,208	102,101	119,835	119,835	-	-	-	-
Electricity		-	-	-	-	-	-	-	-	-	-
Water		80,822	109,290	30,318	90,450	105,303	105,303	-	-	-	-
Waste water management		19,386	17,018	24,890	11,652	14,532	14,532	-	-	-	-
Waste management		-	-	-	-	-	-	-	-	-	-
<u>Other</u>		-	-	-	-	-	-	-	-	-	-
Total Capital Expenditure - Standard	3	131,146	181,772	127,184	137,326	149,668	149,668	-	-	-	-
<u>Funded by:</u>											
National Government		100,292	140,166	70,186	129,377	131,721	131,721	-	-	-	-
Provincial Government		-	-	-	-	-	-	-	-	-	-
District Municipality		-	-	-	-	-	-	-	-	-	-
Other transfers and grants		-	-	-	-	-	-	-	-	-	-
Transfers recognised - capital	4	100,292	140,166	70,186	129,377	131,721	131,721	-	-	-	-
Public contributions & donations	5	29,340	26,712	8,990	-	9,643	9,643	-	-	-	-
Borrowing	6	-	-	-	-	-	-	-	-	-	-
Internally generated funds		1,514	14,893	48,008	7,949	8,304	8,304	-	-	-	-
Total Capital Funding	7	131,146	181,772	127,184	137,326	149,668	149,668	-	-	-	-

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

Table A5 is a breakdown of the capital programme in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.

The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations.

Capital expenditure has been appropriated at R 114 million for the 2017/18 financial year and increases over the MTREF to R 164.7 million and R 174 million respectively for the two outer years.

Unlike multi-year capital appropriations, all of our capital projects are expected to be completed with a single year 2017/18. Included in our single-year appropriations is an expenditure that will be incurred in the 2017/18 budget year such as the procurement of computers and office furniture. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.

The capital programme is funded from National Treasury capital transfers and internally generated funds from current year surpluses.

Table 18- Table A6 Budget Financial position

**NC451 Joe Morolong - Table A6 Consolidated Budgeted
Financial Position**

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash									17,877	15,877	20,877
Call investment deposits	1	-	-	-	-	-	-	-	-	-	-
Consumer debtors	1	-	-	-	-	-	-	-	41,888	45,508	49,457
Other debtors											
Current portion of long-term receivables											
Inventory	2								4,120	6,810	12,156
Total current assets		-	-	-	-	-	-	-	63,885	68,196	82,490
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	-	-	-	-	-	-	-	1,803,131	1,967,870	2,142,116
Agricultural											
Biological											
Intangible									824	1,244	1,694
Other non-current assets											
Total non current assets		-	-	-	-	-	-	-	1,803,955	1,969,114	2,143,810
TOTAL ASSETS		-	-	-	-	-	-	-	1,867,841	2,037,310	2,226,300
LIABILITIES											
Current liabilities											
Bank overdraft	1										
Borrowing	4	-	-	-	-	-	-	-	784	835	884
Consumer deposits											
Trade and other payables	4	-	-	-	-	-	-	-	-	-	-
Provisions											
Total current liabilities		-	-	-	-	-	-	-	784	835	884
Non current liabilities											
Borrowing		-	-	-	-	-	-	-	1,609	1,424	924
Provisions		-	-	-	-	-	-	-	-	-	-
Total non current liabilities		-	-	-	-	-	-	-	1,609	1,424	924
TOTAL LIABILITIES		-	-	-	-	-	-	-	2,393	2,259	1,808
NET ASSETS	5	-	-	-	-	-	-	-	1,865,447	2,035,050	2,224,492
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)									1,865,447	2,035,050	2,224,492
Reserves	4	-	-	-	-	-	-	-	-	-	-
TOTAL COMMUNITY WEALTH/EQUITY	5	-	-	-	-	-	-	-	1,865,447	2,035,050	2,224,492

NC451 Joe Morolong - Table A6 Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash											
Call investment deposits	1	17,475	–	–	260	260	260	–	–	–	–
Consumer debtors	1	23,976	58,131	4,161	6,549	6,549	6,549	–	–	–	–
Other debtors		1,245	4,832	12,616							
Current portion of long-term receivables											
Inventory	2	1,962	1,798	1,578	2,550	2,550	2,550				
Total current assets		44,658	64,761	18,354	9,359	9,359	9,359	–	–	–	–
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate											
Property, plant and equipment	3	1,159,054	1,228,269	1,689,341	1,644,189	1,644,189	1,644,189	–	–	–	–
Agricultural											
Biological											
Intangible											
Other non-current assets											
Total non current assets		1,159,054	1,228,269	1,689,341	1,644,189	1,644,189	1,644,189	–	–	–	–
TOTAL ASSETS		1,203,712	1,293,031	1,707,696	1,653,549	1,653,549	1,653,549	–	–	–	–
LIABILITIES											
Current liabilities											
Bank overdraft	1	5,871	16,123	3,693							
Borrowing	4	627	785	784	784	784	784	–	–	–	–
Consumer deposits											
Trade and other payables	4	45,120	40,151	84,988	13,740	13,740	13,740	–	–	–	–
Provisions											
Total current liabilities		51,619	57,059	89,465	14,525	14,525	14,525	–	–	–	–
Non current liabilities											
Borrowing		2,310	1,803	16,293	2,124	2,124	2,124	–	–	–	–
Provisions		1,884	1,565	3,519	1,710	1,710	1,710	–	–	–	–
Total non current liabilities		4,194	3,368	19,812	3,834	3,834	3,834	–	–	–	–
TOTAL LIABILITIES		55,812	60,426	109,277	18,359	18,359	18,359	–	–	–	–
NET ASSETS	5	1,147,900	1,232,604	1,598,419	1,635,190	1,635,190	1,635,190	–	–	–	–
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)		1,147,900	1,232,604	1,598,419	1,635,190	1,635,190	1,635,190				
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	1,147,900	1,232,604	1,598,419	1,635,190	1,635,190	1,635,190	–	–	–	–

Explanatory notes to Table A6 - Budgeted Financial Position

- Table A6 is consistent with international standards of good financial management practice, and improves understand-ability for councilors and management of the impact of the budget on the statement of financial position (balance sheet).
- This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as “accounting” Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
- The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
- Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for bad debt. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position.

Table 19- Table A7 Budgeted Cash Flow

NC451 Joe Morolong - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									12,401	13,132	13,894
Service charges									24,456	26,990	29,799
Other revenue									811	810	855
Government - operating	1								127,801	133,836	139,679
Government - capital	1								103,007	156,308	164,793
Interest									55	58	62
Dividends									-	-	-
Payments											
Suppliers and employees									(137,187)	(148,102)	(155,546)
Finance charges									(784)	(835)	(884)
Transfers and Grants	1								(5,143)	(5,691)	(6,021)
NET CASH FROM/(USED) OPERATING ACTIVITIES		-	-	-	-	-	-	-	125,416	176,507	186,631
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments									-	-	-
Payments											
Capital assets									(114,469)	(164,739)	(174,246)
NET CASH FROM/(USED) INVESTING ACTIVITIES		-	-	-	-	-	-	-	(114,469)	(164,739)	(174,246)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing									-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		-	-	-	-	-	-	-	-	-	-
NET INCREASE/ (DECREASE) IN CASH HELD		-	-	-	-	-	-	-	10,946	11,768	12,385
Cash/cash equivalents at the year begin:	2								12,377	23,324	35,092
Cash/cash equivalents at the year end:	2	-	-	-	-	-	-	-	23,324	35,092	47,477

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		3,371	8,989		10,933	10,933	10,933		-	-	-
Service charges		45,458	11,545	14,869	21,087	21,087	21,087		-	-	-
Other revenue		3,355	85,346	482	1,221	1,221	1,221		-	-	-
Government - operating	1	74,257	96,758	118,229	122,361	137,029	137,029		-	-	-
Government - capital	1	127,487	116,771	118,420	140,131	142,501	142,501		-	-	-
Interest		260	1,155	2,706	43	43	43		-	-	-
Dividends									-	-	-
Payments											
Suppliers and employees		(104,313)	(127,083)	(91,608)	(97,266)	(97,266)	(97,266)		-	-	-
Finance charges		(232)	(202)	(3,664)	(943)	(909)	(909)		-	-	-
Transfers and Grants	1		(18,379)	(52,992)	(39,529)	(39,529)	(39,529)		-	-	-
NET CASH FROM/(USED) OPERATING ACTIVITIES		149,643	174,898	106,443	158,038	175,111	175,111	-	-	-	-
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									-	-	-
Decrease (Increase) in non-current debtors									-	-	-
Decrease (increase) other non-current receivables									-	-	-
Decrease (increase) in non-current investments		362							-	-	-
Payments											
Capital assets		(131,146)	(181,312)	(127,184)	(137,326)	(149,668)	(149,668)		-	-	-
NET CASH FROM/(USED) INVESTING ACTIVITIES		(130,784)	(181,312)	(127,184)	(137,326)	(149,668)	(149,668)	-	-	-	-
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									-	-	-
Borrowing long term/refinancing									-	-	-
Increase (decrease) in consumer deposits									-	-	-
Payments											
Repayment of borrowing		(1,225)	(638)	649	(784)	(784)	(784)		-	-	-
NET CASH FROM/(USED) FINANCING ACTIVITIES		(1,225)	(638)	649	(784)	(784)	(784)	-	-	-	-
NET INCREASE/(DECREASE) IN CASH HELD		17,634	(7,052)	(20,092)	19,928	24,658	24,658	-	-	-	-
Cash/cash equivalents at the year begin:	2	(2,568)	15,216	15,431	2,055	2,055	2,055		-	-	-
Cash/cash equivalents at the year end:	2	15,065	8,164	(4,661)	21,982	26,713	26,713	-	-	-	-

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

The budgeted cash flow statement is the first measurement in determining if the budget is funded. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.

Table 20- Table A8 Budgeted Cash Flow Cash Backed Reserves/Accumulated Surplus Reconciliation

NC451 Joe Morolong - Table A8 Consolidated Cash backed reserves/accumulated surplus reconciliation

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	–	–	–	–	–	–	–	23,324	35,092	47,477
Other current investments > 90 days		–	–	–	–	–	–	–	(5,446)	(35,092)	(47,477)
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		–	–	–	–	–	–	–	17,877	–	–
Application of cash and investments											
Unspent conditional transfers		–	–	–	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	–	–	–	–	–	–	–	(39,781)	(43,217)	(46,967)
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		–	–	–	–	–	–	–	(39,781)	(43,217)	(46,967)
Surplus(shortfall)		–	–	–	–	–	–	–	57,658	43,217	46,967

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Cash and investments available											
Cash/cash equivalents at the year end	1	15,065	8,164	(4,661)	21,982	26,713	26,713	–	–	–	–
Other current investments > 90 days		(3,461)	(24,286)	968	(21,722)	(26,453)	(26,453)	–	–	–	–
Non current assets - Investments	1	–	–	–	–	–	–	–	–	–	–
Cash and investments available:		11,604	(16,123)	(3,693)	260	260	260	–	–	–	–
Application of cash and investments											
Unspent conditional transfers		–	–	1,134	–	–	–	–	–	–	–
Unspent borrowing		–	–	–	–	–	–	–	–	–	–
Statutory requirements	2										
Other working capital requirements	3	(18,912)	(134,850)	78,861	7,609	8,000	8,000	–	–	–	–
Other provisions											
Long term investments committed	4	–	–	–	–	–	–	–	–	–	–
Reserves to be backed by cash/investments	5										
Total Application of cash and investments:		(18,912)	(134,850)	79,995	7,609	8,000	8,000	–	–	–	–
Surplus(shortfall)		30,516	118,727	(83,687)	(7,349)	(7,740)	(7,740)	–	–	–	–

Explanatory notes to Table A8 - Cash Backed Reserves/Accumulated Surplus Reconciliation

The cash backed reserves/accumulated surplus reconciliation is aligned to the requirements of MFMA Circular 42 – Funding a Municipal Budget. In essence the table evaluates the funding levels of the budget by firstly forecasting the cash and

investments at year end and secondly reconciling the available funding to the liabilities/commitments that exist.

The outcome of this exercise would either be a surplus or deficit. A deficit would indicate that the applications exceed the cash and investments available and would be indicative of non-compliance with the MFMA requirements that the municipality's budget must be "funded".

Non-compliance with section 18 of the MFMA is assumed because a shortfall would indirectly indicate that the annual budget is not appropriately funded.

Table 21- Table A9 Asset Management

NC451 Joe Morolong - Table A9 Consolidated Asset Management

Description R thousand	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CAPITAL EXPENDITURE										
<u>Total New Assets</u>	1	-	-	-	-	-	-	114,469	164,739	174,246
Roads Infrastructure		-	-	-	-	-	-	15,695	20,474	6,691
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	70,397	114,571	131,076
Sanitation Infrastructure		-	-	-	-	-	-	17,115	12,795	18,570
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	103,207	147,840	156,337
Community Facilities		-	-	-	-	-	-	5,000	4,232	4,477
Sport and Recreation Facilities		-	-	-	-	-	-	-	8,680	8,680
Community Assets		-	-	-	-	-	-	5,000	12,912	13,157
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	3,713	1,930	2,677
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	3,713	1,930	2,677
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	735	925	990
Intangible Assets		-	-	-	-	-	-	735	925	990
Computer Equipment		-	-	-	-	-	-	264	420	450
Furniture and Office Equipment		-	-	-	-	-	-	350	-	160
Machinery and Equipment		-	-	-	-	-	-	1,000	500	250
Transport Assets		-	-	-	-	-	-	200	212	225
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
<u>Total Renewal of Existing Assets</u>	2	-	-	-	-	-	-	-	-	-
Roads Infrastructure		-	-	-	-	-	-	-	-	-
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	-	-	-
Water Supply Infrastructure		-	-	-	-	-	-	-	-	-
Sanitation Infrastructure		-	-	-	-	-	-	-	-	-
Solid Waste Infrastructure		-	-	-	-	-	-	-	-	-
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-	-

Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<u>Total Upgrading of Existing Assets</u>	6	-	-	-	-	-	-	-	-
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Sanitation Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	-	-
Community Facilities		-	-	-	-	-	-	-	-
Sport and Recreation Facilities		-	-	-	-	-	-	-	-
Community Assets		-	-	-	-	-	-	-	-
Heritage Assets		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	-	-	-
Housing		-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	-	-
Biological or Cultivated Assets		-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	-	-
Intangible Assets		-	-	-	-	-	-	-	-
Computer Equipment		-	-	-	-	-	-	-	-
Furniture and Office Equipment		-	-	-	-	-	-	-	-
Machinery and Equipment		-	-	-	-	-	-	-	-
Transport Assets		-	-	-	-	-	-	-	-
Libraries		-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-
<u>Total Capital Expenditure</u>	4	-	-	-	-	-	15,695	20,474	6,691
<i>Roads Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Storm water Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Electrical Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Water Supply Infrastructure</i>		-	-	-	-	-	70,397	114,571	131,076
<i>Sanitation Infrastructure</i>		-	-	-	-	-	17,115	12,795	18,570
<i>Solid Waste Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Rail Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Coastal Infrastructure</i>		-	-	-	-	-	-	-	-
<i>Information and Communication Infrastructure</i>		-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	103,207	147,840	156,337
Community Facilities		-	-	-	-	-	5,000	4,232	4,477
Sport and Recreation Facilities		-	-	-	-	-	-	8,680	8,680
Community Assets		-	-	-	-	-	5,000	12,912	13,157
Heritage Assets		-	-	-	-	-	-	-	-
Revenue Generating		-	-	-	-	-	-	-	-
Non-revenue Generating		-	-	-	-	-	-	-	-
Investment properties		-	-	-	-	-	-	-	-
Operational Buildings		-	-	-	-	-	3,713	1,930	2,677

Housing		-	-	-	-	-	-	-	-	-
Other Assets		-	-	-	-	-	-	3,713	1,930	2,677
Biological or Cultivated Assets		-	-	-	-	-	-	-	-	-
Servitudes		-	-	-	-	-	-	-	-	-
Licences and Rights		-	-	-	-	-	-	735	925	990
Intangible Assets		-	-	-	-	-	-	735	925	990
Computer Equipment		-	-	-	-	-	-	264	420	450
Furniture and Office Equipment		-	-	-	-	-	-	350	-	160
Machinery and Equipment		-	-	-	-	-	-	1,000	500	250
Transport Assets		-	-	-	-	-	-	200	212	225
Libraries		-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals		-	-	-	-	-	-	-	-	-
TOTAL CAPITAL EXPENDITURE - Asset class		-	-	-	-	-	-	114,469	164,739	174,246
ASSET REGISTER SUMMARY - PPE (WDV)	5									
Roads Infrastructure										
Storm water Infrastructure										
Electrical Infrastructure			-							
Water Supply Infrastructure										
Sanitation Infrastructure										
Solid Waste Infrastructure										
Rail Infrastructure										
Coastal Infrastructure										
Information and Communication Infrastructure										
Infrastructure		-	-	-	-	-	-	-	-	-
Community Facilities										
Sport and Recreation Facilities										
Community Assets		-	-	-	-	-	-	-	-	-
Heritage Assets										
Revenue Generating										
Non-revenue Generating										
Investment properties		-	-	-	-	-	-	-	-	-
Operational Buildings										
Housing										
Other Assets		-	-	-	-	-	-	-	-	-
Biological or Cultivated Assets										
Servitudes										
Licences and Rights										
Intangible Assets		-	-	-	-	-	-	-	-	-
Computer Equipment										
Furniture and Office Equipment										
Machinery and Equipment										
Transport Assets										
Libraries										
Zoo's, Marine and Non-biological Animals										
TOTAL ASSET REGISTER SUMMARY - PPE (WDV)	5	-	-	-	-	-	-	-	-	-
EXPENDITURE OTHER ITEMS										
Depreciation	7	-	-	-	-	-	-	10,000	10,590	11,204
Repairs and Maintenance by Asset Class	3	-	-	-	-	-	-	5,204	5,628	8,342
Roads Infrastructure		-	-	-	-	-	-	200	212	224
Storm water Infrastructure		-	-	-	-	-	-	-	-	-
Electrical Infrastructure		-	-	-	-	-	-	492	521	551
Water Supply Infrastructure		-	-	-	-	-	-	3,306	3,498	6,201
Sanitation Infrastructure		-	-	-	-	-	-	106	112	119
Solid Waste Infrastructure		-	-	-	-	-	-	-	16	17
Rail Infrastructure		-	-	-	-	-	-	-	-	-
Coastal Infrastructure		-	-	-	-	-	-	-	-	-
Information and Communication Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure		-	-	-	-	-	-	4,104	4,358	7,111
Community Facilities		-	-	-	-	-	-	350	370	392
Sport and Recreation Facilities		-	-	-	-	-	-	150	159	168

Community Assets	-	-	-	-	-	-	500	529	560
Heritage Assets	-	-	-	-	-	-	-	-	-
Revenue Generating	-	-	-	-	-	-	-	-	-
Non-revenue Generating	-	-	-	-	-	-	-	-	-
Investment properties	-	-	-	-	-	-	-	-	-
Operational Buildings	-	-	-	-	-	-	300	317	336
Housing	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	300	317	336
Biological or Cultivated Assets	-	-	-	-	-	-	-	-	-
Servitudes	-	-	-	-	-	-	-	-	-
Licences and Rights	-	-	-	-	-	-	-	-	-
Intangible Assets	-	-	-	-	-	-	-	-	-
Computer Equipment	-	-	-	-	-	-	100	106	112
Furniture and Office Equipment	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-
Transport Assets	-	-	-	-	-	-	200	317	224
Libraries	-	-	-	-	-	-	-	-	-
Zoo's, Marine and Non-biological Animals	-	-	-	-	-	-	-	-	-
TOTAL EXPENDITURE OTHER ITEMS	-	-	-	-	-	-	15,204	16,218	19,546
<i>Renewal and upgrading of Existing Assets as % of total capex</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>Renewal and upgrading of Existing Assets as % of deprecn</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<i>R&M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%	0.3%	0.4%
<i>Renewal and upgrading and R&M as a % of PPE</i>	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Explanatory notes to Table A9 - Asset Management

Table A9 provides an overview of municipal capital allocations to building new assets and the renewal of existing assets, as well as spending on repairs and maintenance by asset class.

National Treasury has recommended that municipalities should allocate at least 40 per cent of their capital budget to the renewal of existing assets, and allocations to repairs and maintenance should be 8 per cent of PPE. The municipality doesn't meet the above recommendations.

The total repairs and maintenance amounts to 0.3% of the total value Property, Plant and Equipment in the 2016/17 budget and remains 0.3% in the following year. We acknowledge that the municipality should provide at least 8% of the total value of assets for repair and maintenance as stated on MFMA Circular No 70.

Table 23- Table A10 Basic Service Delivery Measurement

NC451 Joe Morolong - Table A10 Basic service delivery measurement

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Outcome	Outcome	Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Household service targets	1									
Water:										
Piped water inside dwelling		3,718	3,718	3,718	3,818	3,818	3,818	3,868	3,918	4,018
Piped water inside yard (but not in dwelling)		—	—	—	—	—	—	—	—	—
Using public tap (at least min.service level)	2	18,048	18,048	18,048	18,248	18,248	18,248	18,448	18,698	18,998
Other water supply (at least min.service level)	4	—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		21,766	21,766	21,766	22,066	22,066	22,066	22,316	22,616	23,016
Using public tap (< min.service level)	3	—	—	—	—	—	—	—	—	—
Other water supply (< min.service level)	4	—	—	—	—	—	—	—	—	—
No water supply		1,941	1,941	1,941	1,691	1,691	1,691	1,491	1,241	1,041
<i>Below Minimum Service Level sub-total</i>		1,941	1,941	1,941	1,691	1,691	1,691	1,491	1,241	1,041
Total number of households	5	23,707	23,707	23,707	23,757	23,757	23,757	23,807	23,857	24,057
Sanitation/sewerage:										
Flush toilet (connected to sewerage)		—	—	—	—	—	—	—	—	—
Flush toilet (with septic tank)		2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131	2,131
Chemical toilet		—	—	—	—	—	—	—	—	—
Pit toilet (ventilated)		18,254	18,254	18,254	18,254	18,254	18,254	18,454	18,654	18,954
Other toilet provisions (> min.service level)		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		20,385	20,385	20,385	20,385	20,385	20,385	20,585	20,785	21,085
Bucket toilet		469	469	469	419	419	419	369	319	299
Other toilet provisions (< min.service level)		—	—	—	—	—	—	—	—	—
No toilet provisions		2,432	2,432	2,432	2,753	2,753	2,753	2,653	2,453	2,253
<i>Below Minimum Service Level sub-total</i>		2,901	2,901	2,901	3,172	3,172	3,172	3,022	2,772	2,552
Total number of households	5	23,286	23,286	23,286	23,557	23,557	23,557	23,607	23,557	23,637
Energy:										
Electricity (at least min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (min.service level)		19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384
<i>Minimum Service Level and Above sub-total</i>		19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384
Electricity (< min.service level)		—	—	—	—	—	—	—	—	—
Electricity - prepaid (< min. service level)		—	—	—	—	—	—	—	—	—
Other energy sources		—	—	—	—	—	—	—	—	—
<i>Below Minimum Service Level sub-total</i>		—	—	—	—	—	—	—	—	—
Total number of households	5	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384	19,384
Refuse:										
Removed at least once a week		—	—	—	—	—	—	—	—	—
<i>Minimum Service Level and Above sub-total</i>		1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581	1,581
Removed less frequently than once a week		—	—	—	—	—	—	—	—	—
Using communal refuse dump		19,146	19,146	19,146	19,146	19,146	19,146	19,146	19,146	19,146
Using own refuse dump		—	—	—	—	—	—	—	—	—
Other rubbish disposal		2,707	2,707	2,980	2,980	3,117	3,226	3,335	3,444	3,553
No rubbish disposal		23,434	23,434	23,707	23,707	23,844	23,953	24,062	24,171	24,280
<i>Below Minimum Service Level sub-total</i>		23,434	23,434	23,707	23,707	23,844	23,953	24,062	24,171	24,280
Total number of households	5	23,434	23,434	23,707	23,707	23,844	23,953	24,062	24,171	24,280
Households receiving Free Basic Service	7									
Water (6 kilolitres per household per month)		8,195	8,195	8,195	8,195	8,195	8,195	8,195	8,195	8,195
Sanitation (free minimum level service)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per household per month)		8,195	8,195	8,195	8,195	8,195	8,195	8,195	8,195	8,195
Refuse (removed at least once a week)		—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Formal Settlements (R'000)	8									
Water (6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—
Sanitation (free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (50kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (removed once a week for indigent households)		—	—	—	—	—	—	—	—	—
Cost of Free Basic Services provided - Informal Formal Settlements (R'000)		—	—	—	—	—	—	—	—	—
Total cost of FBS provided		—	—	—	—	—	—	—	—	—
Highest level of free service provided per household										
Property rates (R value threshold)										
Water (kilolitres per household per month)										
Sanitation (kilolitres per household per month)										
Sanitation (Rand per household per month)										
Electricity (kwh per household per month)										
Refuse (average litres per week)										
Revenue cost of subsidised services provided (R'000)	9									
Property rates (tariff adjustment) (impermissible values per section 17 of MPRA)										
Property rates exemptions, reductions and rebates and impermissible values in excess of section 17 of MPRA)		23,212	28,771	—	—	—	—	—	—	—
Water (in excess of 6 kilolitres per indigent household per month)		—	—	—	—	—	—	—	—	—
Sanitation (in excess of free sanitation service to indigent households)		—	—	—	—	—	—	—	—	—
Electricity/other energy (in excess of 50 kwh per indigent household per month)		—	—	—	—	—	—	—	—	—
Refuse (in excess of one removal a week for indigent households)		—	—	—	—	—	—	—	—	—
Municipal Housing - rental rebates										
Housing - top structure subsidies										
Other										
Total revenue cost of subsidised services provided	6	23,212	28,771	—	—	—	—	—	—	—

Explanatory notes to Table A10 - Basic Service Delivery Measurement

Table A10 provides an overview of service delivery levels, including backlogs (below minimum service level), for each of the main services.

The municipality continues to make good progress with the eradication of backlogs.

It is anticipated that these Free Basic Services will cost the municipality R 4.9 million in 2016/17, increasing to R 5.4 million in 2017/18. This is covered by the municipality's equitable share allocation from national government..

It is very difficult to measure correctly the revenue cost of free basic as the municipality is mostly rural and the infrastructure used for water was communal stand pipes except Van Zylsrus and Hotazel, and the municipality is busy installing the prepaid meter that assist in measuring the correct cost of revenue for free basic service, and Eskom provide the electricity in more than 99% of municipal areas

Part 2 – Supporting Documentation

2.1 Overview of the annual budget process

Section 53 of the MFMA requires the Mayor of the municipality to provide general political guidance in the budget process and the setting of priorities that must guide the preparation of the budget. In addition Chapter 2 of the Municipal Budget and Reporting Regulations states that the Mayor of the municipality must establish a Budget Steering Committee to provide technical assistance to the Mayor in discharging the responsibilities set out in section 53 of the Act.

The Budget Steering Committee consists of the Municipal Manager and senior officials of the municipality meeting under the executive chairpersonship of Finance, Human Resource and Administration.

The primary aim of the Budget Steering Committee is to ensure:

- that the process followed to compile the budget complies with legislation and good budget practices;
- that there is proper alignment between the policy and service delivery priorities set out in the municipality's IDP and the budget, taking into account the need to protect the financial sustainability of municipality;
- that the municipality's revenue and tariff setting strategies ensure that the cash resources needed to deliver services are available; and
- that the various spending priorities of the different municipal departments are properly evaluated and prioritised in the allocation of resources.

2.2 Budget Process Overview





In terms of section 21 of the MFMA the Mayor is required to table in Council ten months before the start of the new financial year (i.e. in August 2015) a time schedule that sets out the process to revise the IDP and prepare the budget.




The Mayor tabled in Council the required the IDP and budget time schedule on August 2015.

There were deviations from key dates set out in the budget time schedule tabled in council but the activities were all carried out in different dates as compared to the planned dates.

IDP PROCESS PLAN 2017/ 2018 FINANCIAL YEAR

PHASE	ACTIVITY	RESPONSIBLE	OUTPUT	TIME FRAME
Preparation Phase	Develop Draft IDP and Budget process plan	CFO and IDP Manager	Approved 2016/2017 IDP, Budget and PMS process plan	17 -18 July 2017
	Alignment with JTG District framework IDP, Budget and PMS process plan	JTG District Municipality		10 -09 July 2017
	IDP Steering Committee Meeting	IDP Manager		14 August 2017
	IDP Representative Forum Meeting	IDP Manager		17 August 2017
	JTG District Representative Forum Meeting			To be confirmed
	Tabling of Annual Performance Report and Annual Financial Statements	Mayor and Municipal Manager		22 August 2017
	Submission of Annual Performance Report to the Auditor– General and MEC	IDP Manager		30 August 2017
Analysis Phase	MECs Assessment of IDP	COGHSTA and JTG District	 Output of existing level of development  Information on available resources  Alignments of IDP	September Month 2017
	Identification of Gaps, Stakeholder Registration and Information Gathering.	IDP Manager		Week 1 September 2017
	Draft IDP 2016/17 Analysis Phase Completed	IDP Manager		06 September 2017
	Draft IDP 2016/17 Analysis Phase Completed	IDP Manager		08 September 2017
	IDP 2016/2017 Analysis Phase (JTG District Forum)	JTG District Municipality		To be confirmed
	IDP Steering Committee Meeting	IDP Manager		10 October 2017
	Community Consultation Meetings (Road Show)	Budget & Treasury and IDP Manager	 Priority issues/problems  Understanding of causes of priority issues/problems	17 – 31 October 2017
	IDP Representative Forum Meeting	IDP Manager and Municipal Manager		21 November 2017

	Consultative Forum on Vision, Mission, Objectives, and Localized Strategic Guidelines	IDP Manager		07 November 2017
	JTG District Forum 2015/ 2016 IDP Representative Forum	JTG District Municipality		To be confirmed
	JTG District Wide Strategic Planning Session	JTG District Municipality		To be confirmed
	Strategic Planning Session	IDP Manager and Municipal Manager		27 to 29 November 2017
	JTG District Wide Strategic Planning Session	JTG District Municipality		To be confirmed
	Review Financial Strategies, Budget Adjustment and Review of Organizational Structure	All Departments and Municipal Manager		17 January 2018
	Draft Mid – Year and Draft Annual Report	All Departments and Municipal Manager		24 January 2018
	Review and Rationalization of Projects, Redesigning and Upgrading Project Designs	IDP Manager		Week 2 February 2018
	IDP Steering Committee Meeting	IDP Manager and Municipal Manager		23 February 2018
	IDP Representative Forum Meeting	IDP Manager		26 February 2018
	JTG District Representative Forum Meeting	Mayor and Municipal Manager		To be confirmed
	Tabling of Draft IDP, Budget and SDBIP for Council Approval	Mayor and Municipal Manager		27 March 2018
	Submission of Approved Draft IDP & Budget to National Treasury and COGHSTA	Municipal Manager		30 March 2018
Integration Phase	Alignment with JTG District Municipality, Provincial and National Programs	COGHSTA and JTG District Municipality	 5 Year Financial Plan  5 Year Capital Investment Plan  Institutional Plan  Reference to Sector Plans	02 to 05 April 2018
	Draft IDP & Budget Community Consultation Meeting (Road show)	All Departments and Municipal Manager		09 to 20 April 2018
	IDP Steering Committee Meeting	IDP Manager and Municipal Manager		23 April 2018

	IDP Representative Forum Meeting	JTG District Municipality	 Integrated Sectoral Plans	24 April 2018
	Publish of a Draft IDP & Budget	IDP Manager		30 April 2018
	Draft IDP & Budget for JTG District Forum	JTG District Municipality		To be confirmed
	Screening of Draft IDP Projects Integration of Sector Plans and Institutional Programs	IDP Manager and All Departments		28 May 2018
Approval Phase	Approval of IDP and Budget	Mayor and Municipal Manager	 Public Comments  Approved IDP for the Municipality	30 May 2018
	Approval of Top Layer Service Delivery and Budget Implementation Plan(SBDIP)	Municipal Manager		12 June 2018
	Publish of IDP, SDBIP and Budget	IDP Manager		26 June 2018
	Submission of Approved IDP SDBIP and Budget to National Treasury and COGHSTA	Mayor and Municipal Manager		28 June 2018
	Signing of Annual Performance Agreements for Section 57 Managers	Mayor and Municipal Manager		39 June 2018

2.3 Intergrated Development Plan

Integrated Development Planning is the process through which the municipality prepares a strategic developmental plan, which is the principal strategic instrument guiding all planning, management, budgeting, development and implementation decisions, taking into account inputs from all stakeholders.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

During IDP review the following are some of the issues and concerns raised as well as comments received during the consultation process:

- Several complaints were received regarding poor service delivery, especially water and the state of road infrastructure (road sign, bridges, internal, access and main roads) that it need to tarred;
- There were requests regarding the electricity for high mass lights, infill's and extensions on the areas were the have been new development.
- To increase the swiftness for construction of halls, sports fields, toilets (UDS) and fencing of cemeteries including maintenance.
- The community also requested the municipality to improve on turnaround time relating to maintenance issues relating to water infrastructure

2.4 IDP and Service Delivery and Budget Implementation Plan

Municipalities are required to develop five year Integrated Development Plans which must be reviewed annually. It is also required that such plans must find expression in the Budget. The IDP and the budget are interrelated documents. The IDP is the budget in words, just as the budget is the IDP in figures. In the past two years comprehensive efforts have been made towards ensuring that the two documents are closely link.

The municipality's IDP is a principal strategic planning instrument, which directly guides and informs its planning, budget, management and development actions. This framework is rolled out into objectives, key performance indicators and targets for implementation which directly inform the Service Delivery and Budget Implementation Plan. The Process Plan applicable to the revision cycle included the following key IDP processes and deliverables:

- Registration of community needs;
- Compilation of departmental business plans including key performance indicators and targets;
- Financial planning and budgeting process;
- Public participation process;
- Compilation of the SDBIP, and
- The review of the performance management and monitoring processes

When compiling of the 2016/17 MTREF, each department/function had to review the business planning process, including the setting of priorities and targets after reviewing the midyear of 2015/16 Departmental Service Delivery and Budget

Implementation Plan. Business planning links back to priority needs and master planning, and essentially informed the detail operating budget appropriations and three-year capital programme.

2.5 Community Consultation

The 2016/17 MTREF will be tabled before council on the 24 March 2016 together with community consultation time table. Consultation time table will be published in the municipal website and local newspaper and hard copies for draft budget will be available in the main municipal office and satellite offices and draft budget softcopy was loaded on the municipal website (www.joemorolong.gov.za).

All documents in the appropriate format (electronic and printed) were provided to National Treasury, and other national and provincial departments in accordance with section 23 of the MFMA, to provide an opportunity for them to make inputs.

Ward Committees were utilised to facilitate the community consultation process from 04 to 15 April 2016. The applicable dates and venues will be published in all the local newspapers and notice board of public places. Other stakeholders involved in the consultation will include Agri Kuruman, sector departments, mining houses and churches and community-based organisations.

Draft IDP, Budget and Tariffs for 2017/ 18 FY Community Consultation Meetings

Date	Ward	Place	Time	Ward Councillors
10 April 2017	Ward 07	Suurdig	09H30	Councillor Modise
	Ward 14	Ellendale	14H30	Councillor Josop
11 April 2017	Ward 03	Penryn	09H30	Councillor Block
	Ward 02	Pepsi	14H30	Councillor Tswere
12 April 2017	Ward 11	Cassel	09H30	Councillor Matsioloko
	Ward 12	Dithakong	14H30	Councillor Earabang
18 April 2017	Ward 05	Masankong	09H30	Councillor Sekokodie
	Ward 06	Metsimantsi Wyk 3	14H30	Councillor Seikaneng
19 April 2017	Ward 04	Vanzylsrus	09H30	Councillor Katong
20 April 2017	Ward 09	Danoon	09h30	Councillor Kaebis
	Ward 13	Dikhing	14H30	Councillor Mmmolaeng
21 April 2017	Ward 15	Ncwelengwe	09H30	Councillor Matebesi
24 April 2017	Ward 08	Gamorona	09H30	Councillor Mokgautsi
	Ward 10	Madularanch	14H30	Councillor Sesenyi
25 April 2017	Ward 01	Heuningvlei	09H30	Councillor Mokweni

2.6 Overview of alignment of annual budget with IDP

The IDP crosses departmental divisions by linking the physical, social, institutional and economic components of planning and development with management and development structure. It also integrates and aligns planning in different spheres of government and therefore enforcing and upholding the spirit of co-operative governance in the public sector.

For our planning and programmes to be effective all strategic planning within the municipality must take place within the framework of the IDP. Through integrated development planning different plans are integrated, coordinated and linked to the use of natural, financial, human and physical resources.

The following IDP's five strategic objectives that have directly informed the compilation of 2016/17 MTREF budget

- Provide quality basic services to community
- Good governance and community participation
- Institutional Development and Transformation
- Local Economic Development
- Municipal Financial Viability

The following tables provide a reconciliation between the IDP strategic objectives and operating revenue, operating expenditure and capital expenditure.

Table 24 – Table SA4: Reconciliation between the IDP strategic objectives and budgeted revenue

NC451 Joe Morolong - Supporting Table SA4 Reconciliation of IDP strategic objectives and budget (revenue)

Strategic Objective	Goal	Goal Code	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
				Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand												
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads									131,958	188,110	199,744
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities									6,531	6,863	7,197
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures									325	292	303
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors									2,816	1,830	1,615
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan									130,479	137,790	143,930
Allocations to other priorities			2									
Total Revenue (excluding capital transfers and contributions)			1	-	-	-	-	-	-	272,108	334,884	352,790

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads	139,018	135,299	183,635	154,699	151,524	151,524	168,652	195,616	222,065
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities	10,207	2,884	5,317	6,548	6,548	6,548	6,315	6,279	6,564
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures	3,794	4,727	3,164	6,269	7,400	7,400	3,338	3,038	6,430
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors	5,709	2,496		–					
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan	79,176	77,307	108,622	122,522	138,096	138,096	121,796	125,219	125,471
Allocations to other priorities										
Total Revenue (excluding capital transfers and contributions)		237,904	222,714	300,739	290,038	303,569	303,569	300,101	330,152	360,531

Table 25 – Table SA5: Reconciliation between the IDP strategic objectives and budgeted operating expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads	144,878	56,926	40,241	87,588	106,968	106,968	64,527	68,796	72,726
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities	11,703	10,276	17,807	7,871	7,871	7,871	17,713	18,875	20,041
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures	32,137	39,255	34,615	28,730	28,730	28,730	23,074	19,830	21,649
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors	9,353	9,912	8,865	4,229	4,229	4,229	6,685	7,241	7,590
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan	72,040	41,299	(11,394)	35,237	35,237	35,237	38,792	41,531	41,811
Allocations to other priorities										
Total Expenditure		270,111	157,668	90,134	163,655	183,035	183,035	150,791	156,273	163,816

Table 26– Table SA6: Reconciliation between the IDP strategic objectives and budgeted capital expenditure

Strategic Objective	Goal	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Provide quality basic services to community	Provision of infrastructure for water, sanitation, waste management, electricity and roads	218,628	110,245	169,381	107,769	120,150	120,150	134,429	156,292	186,441
Good governance and community participation	Promote community involvement through planning, monitoring and budgeting processes. Engagement of ward committees to hold monthly meeting with communities	25,767	19,386	12,405	17,360	17,360	17,360	2,700	1,230	1,060
Institutional Development and Transformation	Addressing Auditor General queries as per the action plan to ensure improvement in audit opinion. Firm up on performance management system. Managing the interface between the administrative and political structures	1,233	994	–	1,205	1,205	1,205			
Local Economic Development	Ensure sustainable rural economic growth; ensure that most of the municipal projects are implemented through labour intensive programme. Also ensure that atleast 30% of most municipal infrastructural projects are awarded to local emerging contractors	–	–		–	–	–	12,031	15,813	8,725
Municipal Financial Viability	Improved budgeting, revenue generation & protection, debtors control, grow and diversify revenue and value for money expenditure through an integrated financial plan	528	521	(15)	50	50	50	150	320	50
Allocations to other priorities										
Total Capital Expenditure		246,156	131,146	181,772	126,383	138,765	138,765	149,310	173,655	196,275

2.7 Measurable performance objectives and indicators

Performance Management is a system intended to manage and monitor service delivery progress against the identified strategic objectives and priorities. In accordance with legislative requirements and good business practices as informed by the National Framework for Managing Programme Performance Information, the municipality has developed and implemented a performance management system of which system is constantly refined as the integrated planning process unfolds. The Municipality targets, monitors, assesses and reviews organisational performance which in turn is directly linked to individual employee's performance.

The following table provides the main measurable performance objectives the municipality undertakes to achieve this financial year.

Table 27– Table SA7: Measurable performance objectives

NC451 Joe Morolong - Supporting Table SA7 Measureable performance objectives

Description	Unit of measurement	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Vote 1 - Executive & Council										
Function 1 - Council										
Sub-function 1 - (name)										
Tabling & Approval of IDP & Budget for each budget year	Approval before 31 May each year	1	1	1	1	1	1	1	1	1
Hold quartely council meeting	Number of meeting held	4	4	4	4	4	4	4	4	4
Approval of Sec 72 Reports by 25 January each year	Approved Report & Resolution	1	1	1	1	1	1	1	1	1
Tabling & Approval of Adjusted Budget	Number of Adjusted Budget	1	1	1	1	1	1	1	1	1
Sub-function 2 - Municipal Manager										
The keeping and compilation of minutes of all meetings of Council and its committee	Number of minutes	20	20	20	20	20	20	20	20	20
Publication of four newsletter in financial year	Number of newsletter	4	4	4	4	4	4	4	4	4
Vote 2 - Budget & Treasury Office										
Sub-function 1 - Budget & Treasury										
Financial Statements by 31 August 2014 and submitted to the Auditor-General	Submitted AFS	1	1	1	1	1	1	1	1	1
All salaries and third party payments paid on time	Number	12	12	12	12	12	12	12	12	12
Monthly sec 71 reports	Number of report	12	12	12	12	12	12	12	12	12
Compile Quaterly reports	7 reports per quarter	28	28	28	28	28	28	28	28	28
Vote 3 - Corporate Services										
Function 1 - Corporate										
Maintenance of an effective record and registry system.	Continuous				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Administration of Human Resource recruitment and selection.	Continuous				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Update of Skills Development Plan	Number				1	1	1	1	1	1
Oversee that training in terms of the Skills Development Plan is being implemented.	Continuous				100.0%	100.0%	100.0%	100.0%	100.0%	100.0%
Reclaim all monies due in term of Skills Development Plan.	4				4	4	4	4	4	4
Vote 4 - Community Service										
Function 1 - Community										
Number with VIP toilets	Number							1494	1200	2545
Construction of sportfields	Number							2	2	2
Construction of phase 1 Testing station	Complete testing staion							1	1	
This indicator reflects the number of single residential properties that the Municipality is aware of which are receiving a weekly door to door refuse removal service.	Number (1500)				1500	1500	1500	1500	1500	1500
Vote 5 - Techical Service										
Function 1 - Technical										
Construction of internal roads	Kilomeetre							6	5	1.5
Construction of bridge	Number							1		
Vote 7 - Water Unit										
Function 1 - Water										
Water control and management – breaks and losses – daily, weekly and monthly.	Continuous				95%	95%	95%	95%	95%	95%
Water breaks must be repaired within twelve (12) hours after break has been reported.	Continuous				95%	95%	95%	95%	95%	95%
Managing total water supply system to ensure sufficient water provision.	Continuous				95%	95%	95%	95%	95%	95%
Monitoring of water quality and testing	Monthly				12	12	12	12	12	12
And so on for the rest of the Votes										

The following table sets out the municipalities main performance objectives and benchmarks for the 2016/17 MTREF

Table 28– Table SA8: Performance indicators and benchmarks.

NC451 Joe Morolong - Supporting Table SA8 Performance indicators and benchmarks

NC431 Joe Moringong - Supporting Table SA6 Performance indicators and benchmarks											
Description of financial indicator	Basis of calculation	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Borrowing Management</u>											
Credit Rating											
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.3%	0.9%	0.9%	1.1%	1.0%	0.4%	0.0%	1.1%	1.1%	1.1%
Capital Charges to Own Revenue	Finance charges & Repayment of borrowing /Own Revenue	2.3%	6.9%	2.1%	6.3%	4.3%	1.9%	0.0%	4.4%	4.3%	4.1%
Borrowed funding of 'own' capital expenditure	Borrowing/Capital expenditure excl. transfers and grants and contributions	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Safety of Capital</u>											
Gearing	Long Term Borrowing/ Funds & Reserves	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Liquidity</u>											
Current Ratio	Current assets/current liabilities	0.4	0.9	1.1	1.4	1.4	1.4	–	2.2	2.8	2.9
Current Ratio adjusted for aged debtors	Current assets less debtors > 90 days/current liabilities	0.4	0.9	1.1	1.4	1.4	1.4	–	2.2	2.8	2.9
Liquidity Ratio	Monetary Assets/Current Liabilities	0.0	0.4	0.0	0.9	0.9	0.9	–	1.7	2.3	2.4
<u>Revenue Management</u>											
Annual Debtors Collection Rate (Payment Level %)	Last 12 Mths Receipts/Last 12 Mths Billing		126.5%	307.6%	62.8%	85.0%	65.1%	65.1%	0.0%	95.0%	95.0%
Current Debtors Collection Rate (Cash receipts % of Ratepayer & Other revenue)		126.5%	307.6%	62.8%	85.0%	65.1%	65.1%	0.0%	95.0%	95.0%	95.0%
Outstanding Debtors to Revenue	Total Outstanding Debtors to Annual Revenue	35.4%	26.5%	26.9%	2.8%	2.6%	2.6%	0.0%	3.2%	3.3%	3.3%
Longstanding Debtors Recovered	Debtors > 12 Mths Recovered/Total Debtors > 12 Months Old				0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<u>Creditors Management</u>											
Creditors System Efficiency	% of Creditors Paid Within Terms (within 'MFMA' s 65(e))				100.0%	100.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Creditors to Cash and Investments		-3100.7%	296.0%	491.8%	96.1%	186.6%	186.6%	0.0%	38.6%	30.1%	24.2%
<u>Other Indicators</u>											
Electricity Distribution Losses (2)	Total Volume Losses (kW)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Water Distribution Losses (2)	Total Volume Losses (kℓ)										
	Total Cost of Losses (Rand '000)										
	% Volume (units purchased and generated less units sold)/units purchased and generated										
Employee costs	Employee costs/(Total Revenue - capital revenue)	27.7%	38.9%	20.2%	28.2%	27.5%	27.5%	0.0%	33.4%	30.9%	32.7%
Remuneration	Total remuneration/(Total Revenue - capital revenue)	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%
Repairs & Maintenance	R&M/(Total Revenue excluding capital revenue)	11.5%	19.1%	4.8%	15.2%	16.8%	16.8%		2.8%	3.1%	3.6%
Finance charges & Depreciation	FC&D/(Total Revenue - capital revenue)	20.4%	25.8%	11.4%	6.3%	5.8%	5.3%	0.0%	6.8%	7.0%	6.6%
<u>IDP regulation financial viability indicators</u>											
i. Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	21.0	11.7	47.6	23.7	23.7	23.7	–	46.9	48.5	50.4
ii. O/S Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	147.1%	157.9%	192.2%	18.6%	15.9%	15.9%	0.0%	13.7%	13.8%	13.2%
iii. Cost coverage	(Av ailable cash + Investments)/monthly fixed operational expenditure	(0.4)	2.2	6.3	1.4	0.7	0.7	–	3.6	4.7	5.5

Borrowing Management

Capital expenditure in local government can be funded by capital grants, own-source revenue and long term borrowing. The ability of a municipality to raise long term borrowing is largely dependent on its creditworthiness and financial position. As with all other municipalities, municipality borrowing strategy is primarily informed by the affordability of debt repayments. The following financial performance indicators have formed part of the compilation of the 2015/16 MTREF:

- *Capital charges to operating expenditure* is a measure of the cost of borrowing in relation to the operating expenditure.
- *Capital charges to own revenue* is a measure of the cost of borrowing in relation to the municipality's own revenue.

Revenue Management

As part of the financial sustainability strategy, an aggressive revenue management framework has been implemented to increase cash inflow, not only from current billings but also from debtors that are in arrears in excess of 90 days. The intention of the strategy is to streamline the revenue value chain by ensuring accurate billing, customer service, and credit control and debt collection.

Creditors Management

The municipality has managed to ensure that creditors are settled within the legislated 30 days of invoice. While the liquidity ratio is of concern, by applying daily cash flow management the municipality has managed to ensure more than 95 per cent compliance rate to this legislative obligation. This has had a favourable impact on suppliers' perceptions of risk of doing business with the municipality, which is expected to benefit the municipality in the form of more competitive pricing of tenders, as suppliers compete for the municipality's business.

Other Indicators

- Electricity and Water losses: the municipality is still busy installing the meters that will assist in measuring the losses of both electricity and electricity with the assistance DBSA programme.
- Employee costs as a percentage of operating revenue fluctuate over the 2016/17 MTREF.
- Repairs and maintenance as percentage of operating revenue fluctuate over the 2016/17 MTREF.

2.8 Overview budget related policies

The municipality's budgeting process is guided and governed by relevant legislation, frameworks, strategies and related policies.

a) Budget, Funding, Reserves and Virement Policy

The policy aim to set out; the principles which the municipality will follow in preparing each medium term revenue and expenditure framework budget, responsibilities of the mayor , the accounting officer , the chief financial officer and other senior managers in compiling the budget and to establish and maintain procedures to ensure adherence Joe Morolong Municipality's IDP review and budget processes.

b) Banking and Investment Policy

The policy aim to gain the optimal return on banking and investments, without incurring undue risks, during those periods when cash revenues are not needed for capital or operational purposes. The effectiveness of the policy is dependent on the accuracy of the municipality's cash management programme, which must identify the amounts surplus to the municipality's needs, as well as the time when and period for which such revenues are surplus.

c) Credit Control and Debt Collection Policy

The policy aim to maximize revenue by timeously collecting all moneys owed to the municipality; ensure that action are taken to recover arrear debt is warranted and fair; to enable Joe Morolong Local Municipality to develop and maintain a sustainable service delivery relationship with its customers; to deliver excellent service to the communities of Joe Morolong Local Municipality in return for payment of their rates and service accounts and encourage and inculcate the culture of payment.

d) Tariffs Policy

The policy aim to empower council with among other things, the levying of fees for municipal services provided by the municipality itself or by way of service delivery agreements. To determine fair, transparent and affordable charges based on its economic regions and their impact on local economic development.

e) Fruitless and Wasteful Expenditure Policy

The policy aim to provide for measures to identify unauthorised, irregular or fruitless and wasteful expenditure; provide for frameworks to avoid of any irregular expenditure or any fruitless and wasteful expenditure; provide for recovery of irregular expenditure or any fruitless and wasteful expenditure and to provide for reporting on any irregular expenditure or any fruitless and wasteful expenditure.

f) Supply Chain Management Policy

The policy aim to ensure sound, sustainable and accountable supply chain management practices within the municipality, whilst promoting black economic empowerment as a priority in terms of the goals and objectives of the municipality's preferential procurement policy.

The above policies will be available on the municipal website (www.joemorolong.gov.za) as well as the following:

- Property Rates policy
- Fixed Assets policy
- Indigent Policy
- Risk Management Policy
- Cash Shortage Policy
- Bad Debt Written Off Policy
- Asset Management Policy
- Petty Cash Policy

2.9 Overview of budget assumptions

a) Inflation

There are some factors that have been taken into consideration in the compilation of the 2016/17 budget:

- National Government macro-economic targets;
- The general inflationary outlook and the impact on municipal residents and businesses;
- The impact of municipal cost drivers;
- The increase in prices for bulk electricity and water; and
- The increase in the cost of remuneration. Employee related costs comprise 35 per cent of total operating expenditure in the 2016/17 MTREF. The wage agreement has not yet been concluded between SALGBC and municipal workers unions which can be a little risky based on the previous agreements that was signed.

b) Collection rate for revenue services

The base assumption is that tariff and rating increases will increase at a rate slightly higher than CPI over the long term. It is also assumed that current economic conditions, and relatively controlled inflationary conditions, will continue for the forecasted term.

The rate of revenue collection currently has been budgeted at 95 per cent of annual billings for rates, services, rents, and for other revenue. The performance of arrear collections have been budgeted at 95 per cent collection for 2016/17 MTREF.

c) Salary increases

The wage agreement has not yet been concluded between SALGBC and municipal workers unions which can be a little risky based on the previous agreements that was signed. The municipality has budgeted salary increase of 7.0 percent and in case the agreement will be below the budgeted increase,

this will be good as it will be the additional money available on improving of service delivery.

d) Impact of national, provincial and local policies

Integration of service delivery between national, provincial and local government is critical to ensure focussed service delivery and in this regard various measures were implemented to align IDPs, provincial and national strategies around priority spatial interventions. In this regard, the following national priorities form the basis of all integration initiatives:

- EPWP and LED through the capital projects
- Provision of clean water
- Sanitation
- Electricity; and
- Decent housing

To achieve these priorities integration mechanisms are in place to ensure integrated planning and execution of various development programs. The focus will be to strengthen the link between policy priorities and expenditure thereby ensuring the achievement of the national, provincial and local objectives.

e) Ability of the municipality to spend and deliver on the programmes

It is estimated that spending rate at an average of at least 98 per cent is to be achieved on operating expenditure and average of 99 per cent on the capital programme for the 2016/17 MTREF of which performance has been factored into the cash flow budget.

2.10 Overview of budget funding

a) Operating Revenue

The following table is a breakdown of the operating revenue over medium term:

Table 29 – Breakdown of the operating revenue over medium term

Description	2016/17 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Revenue By Source						
Property rates	12,863	8%	13,634	8%	14,452	9%
Service charges	24,809	16%	25,526	15%	26,298	16%
Rental of facilities and equipment	93	0%	98	0%	103	0%
Interest earned - outstanding debtors	50	0%	53	0%	56	0%
Agency services	120	0%	116	0%	123	0%
Transfers recognised - operational	120,820	76%	124,462	75%	123,349	74%
Other revenue	1,215	1%	1,191		1,213	1%
Total Revenue (excluding capital transfers and contributions)	159,970		165,080		165,594	100%
Operating Expenditure	150,791		156,273		163,816	
Surplus/(Deficit)	9,179		8,807		1,777	

Tariff setting plays a major role in ensuring the desired level of revenue, even though the municipality is still dependent on grants. Getting the tariff setting right assist in the compilation of credible and funded budget. The municipality derives its operational revenue from provision of services namely: water, electricity, sanitation and solid waste removal including property rates. The operational grants plays a major role in the municipal budget funding.

b) Capital Revenue

The following table is a breakdown of the capital revenue over medium term:

Table 30 – Breakdown of the capital funding over medium term

Vote Description	2016/17 Medium Term Revenue & Expenditure Framework					
R thousand	Budget Year 2016/17	%	Budget Year +1 2017/18	%	Budget Year +2 2018/19	%
Funded by:						
National Government	141,331	95%	165,391	95%	194,987	99%
Transfers recognised - capital	141,331		165,391		194,987	
Public contributions & donations		0%		0%		0%
Borrowing		0%		0%		0%
Internally generated funds	7,979	5%	8,264	5%	1,288	1%
Total Capital Funding	149,310		173,655		196,275	

Capital grants and receipts equates to 92% of the total funding source which represents R115.7 Million for the 2015/16 financial year and steadily increase to R138.4 million or 99% per cent by 2017/18.

Table 31 – Table SA18: Breakdown of the capital funding over medium term

NC451 Joe Morolong - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Capital Transfers and Grants										
National Government:		122,457	116,221	124,044	141,099	144,006	144,006	143,023	169,265	194,937
Municipal Infrastructure Grant (MIG)		56,479	55,253	57,058	58,599	58,599	58,599	57,839	62,060	65,597
Regional Bulk Infrastructure		58,398	43,436	5,017		2,907	2,907			
Municipal Water Infrastructure Grant		5,705	7,036	50,000	60,000	60,000	60,000			
EPWP			2,496	1,969						
Water Operation and Subsidy Grant		1,875	8,000	10,000	22,500	22,500	22,500			
Water Services Infrastructure Grant								85,184	107,205	129,340
Provincial Government:		–	–	–		–	–	–	–	–
District Municipality:		–	–	–	–	–	–	–	–	–
Other grant providers:		6,098	11,252	7,067	–	14,176	14,176	–	–	–
ACIP Sanitation		6,098	2,796			4,221	4,221			
South 32 mine			8,455	7,067	–	9,955	9,955			
kumba resources mine										
Total Capital Transfers and Grants	5	128,555	127,472	131,110	141,099	158,181	158,181	143,023	169,265	194,937
TOTAL RECEIPTS OF TRANSFERS & GRANTS		198,583	201,729	227,868	285,298	310,696	310,696	260,951	294,452	325,939

c) Cash Flow Management

Cash flow management and forecasting is a critical step in determining if the budget is funded over the medium-term. The table below provides understanding for Councillors and management. Some specific feature includes:

- Clear separation of receipts and payment by category
- Clear separation of government capital and operating receipts, which enables cash from ratepayers and other; to be provided for as cash inflow based on their actual performance and assist in determining collection rate for the municipality.
- Separation of borrowing and loan repayments.

The table below shows that cash and cash equivalent of the municipality. The 2015/16 MTREF show a steadily increase in cash and cash equivalent at the end of financial years. The budgeted cash flow for 2016/17 provide for a net increase in cash of R 23.8 million resulting in an overall projected positive cash position of R 34.0 million.

Table 32 – Table A7: Budgeted cash flow management

NC451 Joe Morolong - Table A7 Budgeted Cash Flows

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates, penalties & collection charges		2,453	3,371	8,989	8,916	6,515	6,515		12,219	12,953	13,730
Service charges		28,098	45,458	11,545	13,526	13,609	13,609		23,568	24,250	24,983
Other revenue		3,426	3,355	85,346	714	9,371	9,371		1,357	1,335	1,367
Government - operating	1	70,029	74,257	96,758	147,129	155,445	155,445		120,820	124,462	123,349
Government - capital	1	327,252	127,487	116,771	115,669	132,751	132,751		140,131	165,071	194,937
Interest		123	260	1,155	40	364	364		48	50	53
Dividends									–	–	–
Payments											
Suppliers and employees		(200,742)	(104,313)	(127,083)	(143,873)	(169,779)	(169,779)		(97,266)	(97,964)	(103,695)
Finance charges		(96)	(232)	(202)	(149)	(177)	(177)		(943)	(953)	(962)
Transfers and Grants	1			(18,379)	(4,730)	(4,730)	(4,730)		(39,529)	(43,479)	(45,599)
NET CASH FROM/(USED) OPERATING ACTIVITIES		230,544	149,643	174,898	137,242	143,370	143,370	–	160,405	185,725	208,163
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments			362						–	–	–
Payments											
Capital assets		(246,156)	(131,146)	(181,312)	(126,383)	(138,900)	(138,900)		(149,310)	(173,655)	(196,275)
NET CASH FROM/(USED) INVESTING ACTIVITIES		(246,156)	(130,784)	(181,312)	(126,383)	(138,900)	(138,900)	–	(149,310)	(173,655)	(196,275)
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing		(611)	(1,225)	(638)	(784)	(784)	(784)		(784)	(784)	(784)
NET CASH FROM/(USED) FINANCING ACTIVITIES		(611)	(1,225)	(638)	(784)	(784)	(784)	–	(784)	(784)	(784)
NET INCREASE/ (DECREASE) IN CASH HELD		(16,223)	17,634	(7,052)	10,074	3,686	3,686	–	10,311	11,285	11,103
Cash/cash equivalents at the year begin:	2	13,293	(2,568)	15,216	3,099	3,099	3,099		23,839	34,150	45,435
Cash/cash equivalents at the year end:	2	(2,930)	15,065	8,164	13,173	6,785	6,785	–	34,150	45,435	56,538

Table 33 – Table SA10: Funding Compliance Measurement

NC451 Joe Morolong Supporting Table SA10 Funding measurement

Description	MFMA section	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
			Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
Funding measures												
Cash/cash equivalents at the year end - R'000	18(1)b	1	(2,930)	15,065	8,164	13,173	6,785	6,785	–	34,150	45,435	56,538
Cash + investments at the yr end less applications - R'000	18(1)b	2	(54,216)	33,615	119,418	4,945	4,355	4,355	–	15,820	26,797	27,800
Cash year end/monthly employee/supplier payments	18(1)b	3	(0.4)	2.2	6.3	1.4	0.7	0.7	–	3.6	4.7	5.5
Surplus/(Deficit) excluding depreciation offsets: R'000	18(1)	4	(32,207)	65,046	210,605	126,383	120,534	126,435	–	149,310	173,879	196,714
Service charge rev % change - macro CPI target exclusive	18(1)a,(2)	5	N.A.	(40.3%)	99.9%	(25.2%)	11.2%	(6.0%)	(106.0%)	15.8%	(2.0%)	(1.9%)
Cash receipts % of Ratepayer & Other revenue	18(1)a,(2)	6	109.6%	251.8%	277.9%	85.0%	73.0%	73.0%	0.0%	94.9%	94.9%	94.9%
Debt impairment expense as a % of total billable revenue	18(1)a,(2)	7	134.9%	14.7%	(183.1%)	15.0%	12.8%	12.8%	0.0%	8.1%	8.4%	8.7%
Capital payments % of capital expenditure	18(1)c;19	8	102.5%	100.0%	99.7%	100.0%	100.1%	100.1%	0.0%	100.0%	100.0%	100.0%
Borrowing receipts % of capital expenditure (excl. transfers)	18(1)c	9	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Grants % of Govt. legislated/gazetted allocations	18(1)a	10								0.0%	0.0%	0.0%
Current consumer debtors % change - incr(decr)	18(1)a	11	N.A.	(29.5%)	149.6%	(92.2%)	0.0%	0.0%	(100.0%)	4.9%	4.9%	0.0%
Long term receivables % change - incr(decr)	18(1)a	12	N.A.	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
R&M % of Property Plant & Equipment	20(1)(vi)	13	1.1%	1.6%	0.9%	2.1%	2.3%	2.3%	0.0%	0.3%	0.3%	0.3%
Asset renewal % of capital budget	20(1)(vi)	14	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Cash and Cash equivalents

The municipality's cash position was discussed as part of the budgeted cash flow statement. If the municipality's forecast cash position is negative, for any year of the medium term budget, the budget is very unlikely to meet MFMA requirements or be sustainable and could indicate a risk of non-compliance with section 45 of the MFMA which deals with the repayment of short term debt at the end of the financial year. The forecasted cash and cash equivalents for the 2016/17 shows R 23.8 million,

Cash and Investments less applications

The purpose of this measure is to understand how the municipality has applied the available cash and investments as identified in the budgeted cash flow statement. The reconciliation is intended to be a relatively simple methodology for understanding the budgeted amount of cash and investments available with any planned or required applications to be made. A positive cash position, for each year of the MTREF would generally be a minimum requirement, subject to the planned application of these funds such as cash-backing of reserves and working capital requirements.

Cash at year end/monthly employee and supplier payments

The purpose of this measure is to understand the level of financial risk should the municipality be under stress from a collection and cash in-flow perspective. Regardless of the annual cash position an evaluation should be made of the ability of the municipality to meet monthly payments as and when they fall due. It is especially important to consider the position should the municipality be faced with an unexpected disaster that threatens revenue collection. Remarkably, the ratio has been fluctuating for the period 2013/14 to 2014/15 moving from 1.2 to (2.2) with the adopted 2014/15 outcome. In 2015/16 adopted budget the ratio was at positive and after revised budget increased to 2.0, as part of the 2016/17 MTREF the municipality continues to strive in improve cash position though the ratio to move downwards to 1.8 and then continue to increase over the MTREF. As indicated above the municipality will be able to cover the municipality's employee and supplier payments.

Surplus/deficit excluding depreciation offsets

The main purpose of this measure is to understand if the revenue levels are sufficient to conclude that the community is making a sufficient contribution for the municipal resources consumed each year. For the 2016/17 MTREF the suggestive outcome is a surplus of R149.1 million, R173.7 million and R196.2 million.

It needs to be noted that a surplus does not necessarily mean that the budget is funded from a cash flow perspective and the first two measures in the table are therefore critical.

Service charge revenue as a percentage increase less macro inflation target

The purpose of this measure is to understand whether the municipality is contributing appropriately to the achievement of national inflation targets. This measure is based on the increase in revenue, which will include both the change in the tariff as well as any assumption about real growth such as new property development, services consumption growth etc.

The factor is calculated by deducting the maximum macro-economic inflation target increase (which is currently 3-6 per cent). The result is intended to be an approximation

of the real increase in revenue. From the table above it can be seen that the percentage increase to 17.9 then decreases slightly to 1.8 then increase to 1.9 per cent for the respective two outer financial years. The increase in revenue is as results of property rate which was informed by the updated valuation roll whereby the rates revenue decreased by 34 per cent in 2015/16 financial year. Considering the lowest percentage tariff increase in relation to revenue generated from rates and services charges is 6 per cent, with the increase in water at 12 per cent. This trend will have to be carefully monitored and managed with the implementation of the budget.

Cash receipts as a percentage of ratepayer and other revenue

This factor is a macro measure of the rate at which funds are collected. This measure is intended to analyse the underlying assumed collection rate for the MTREF to determine the relevance and credibility of the budget assumptions contained in the budget. It can be seen that the outcome is at 95 per cent for each of the respective financial years. It must be noted that service charges, property rate and rent is calculated at the collection rate of 95 per cent.

In addition the risks associated with objections to the valuation roll need to be clarified and hence the conservative approach, also taking into consideration the cash flow challenges experienced in the current financial year. This measure and performance objective will have to be precisely managed. Should performance with the mid-year review and adjustments be positive in relation to actual collections of billed revenue, the adjustments budget will be amended accordingly.

Debt Impairment expense as % of billable revenue

This factor measures whether the provision for debt impairment is being adequately funded and is based on the underlying assumption that the provision for debt impairment (doubtful and bad debts) has to be increased to offset under-collection of billed revenues. The provision has been appropriated at 5.0, 4.9 and 4.8 per cent over the MTREF.

Capital payments percentage of capital expenditure

The purpose of this measure is to determine whether the timing of payments has been taken into consideration when forecasting the cash position. The municipality aims to keep this as low as possible through strict compliance with the legislative requirement that debtors be paid within 30 days.

Borrowing Receipts % of Capital Expenditure

The purpose of this measurement is to determine the proportion of a municipality's own-funded capital expenditure budget that is being funded from borrowed funds to confirm MFMA compliance. The municipality will not be utilizing external borrowing for any of its capital projects and therefore the ratio is 0%.

Transfers / Grants Revenue as a % of Government Grants Available

The purpose of this measurement is mainly to ensure that all available transfers from national and provincial government have been budgeted for. A percentage less than 100 per cent could indicate that not all grants as contained in the Division of Revenue Act (DoRA) have been budgeted for. The municipality has budgeted for all transfers.

Current Consumer Debtors % change

The purpose of these measures are to ascertain whether budgeted reductions in outstanding debtors are realistic. There are 2 measures shown for this factor; the change in current debtors and the change in long term receivables, both from the Budgeted Financial Position. The municipality is currently data cleansing which will reduce the debtor's arrears. The consumer will increase by 4.0 percent for 2015/16 then 4.9 percent for the outer years.

Repairs and Maintenance expenditure levels

This measure must be considered important within the context of the funding measures criteria because a trend that indicates insufficient funds are being committed to asset repair could also indicate that the overall budget is not credible and/or

sustainable in the medium to long term because the revenue budget is not being protected.

Asset renewal as % of capital budget

This measure has a similar objective to aforementioned objective relating to repairs and maintenance. A requirement of the detailed capital budget (since MFMA Circular 28 which was issued in December 2005) is to categorise each capital project as a new asset or a renewal/rehabilitation project. The objective is to summarise and understand the proportion of budgets being provided for new assets and also asset sustainability.

2.11 Expenditure on grants and reconciliations of unspent funds

Table 34 – Table SA19 - Expenditure on transfers and grants programmes

NC451 Joe Morolong - Supporting Table SA19 Expenditure on transfers and grant programme

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
EXPENDITURE:	1									
<u>Operating expenditure of Transfers and Grants</u>										
National Government:		69,806	73,667	95,789	142,694	142,694	142,694	117,928	125,187	131,002
Local Government Equitable Share		67,506	71,227	93,255	115,253	115,253	115,253	115,068	123,042	129,952
Water Services Operating Subsidy					22,500	22,500	22,500			
Finance Management		1,500	1,550	1,600	1,675	1,675	1,675	1,810	2,145	1,050
Municipal Systems Improvement		800	890	934	930	930	930			
EPWP Incentive					2,336	2,336	2,336	1,050		
Other transfers/grants [insert description]										
Provincial Government:		223	590	969	1,505	9,821	9,821	–	–	–
Sport and Recreation		223	590	969	1,505	1,505	1,505			
Housing						8,316	8,316			
Other transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total operating expenditure of Transfers and Grants:		70,029	74,257	96,758	144,199	152,515	152,515	117,928	125,187	131,002
<u>Capital expenditure of Transfers and Grants</u>										
National Government:		64,059	72,785	119,027	141,099	141,099	141,099	143,023	169,265	194,937
Municipal Infrastructure Grant (MIG)		56,479	55,253	57,058	58,599	58,599	58,599	57,839	62,060	65,597
Municipal Water Infrastructure Grant		5,705	7,036	50,000	60,000	60,000	60,000			
EPWP			2,496	1,969						
Water Operation and Subsidy Grant		1,875	8,000	10,000	22,500	22,500	22,500			
Water Services Infrastructure Grant								85,184	107,205	129,340
Provincial Government:		–	–	–	–	–	–	–	–	–
Other capital transfers/grants [insert description]										
District Municipality:		–	–	–	–	–	–	–	–	–
[insert description]										
Other grant providers:		6,098	11,252	7,067	–	14,176	14,176	–	–	–
ACIP Sanitation		6,098	2,796			4,221	4,221			
South 32 mine						9,955	9,955			
kumba resources mine			8,455	7,067	–					
Total capital expenditure of Transfers and Grants		70,157	84,036	126,094	141,099	155,275	155,275	143,023	169,265	194,937
TOTAL EXPENDITURE OF TRANSFERS AND GRANTS		140,186	158,293	222,852	285,298	307,789	307,789	260,951	294,452	325,939

Table 35 – Table SA20 – Reconciliation of transfers, grants receipts and unspent funds

Description R thousand	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
<u>Operating transfers and grants:</u>									
National Government:									
Balance unspent at beginning of the year									
Current year receipts	69,806	73,667	95,789	142,694	142,694	142,694	117,928	125,187	131,002
Conditions met - transferred to revenue	69,806	73,667	95,789	142,694	142,694	142,694	117,928	125,187	131,002
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts	223	590	969	1,505	9,821	9,821			
Conditions met - transferred to revenue	223	590	969	1,505	9,821	9,821	–	–	–
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Total operating transfers and grants revenue	70,029	74,257	96,758	144,199	152,515	152,515	117,928	125,187	131,002
Total operating transfers and grants - CTBM	–	–	–	–	–	–	–	–	–
<u>Capital transfers and grants:</u>									
National Government:									
Balance unspent at beginning of the year									
Current year receipts	64,059	72,785	119,027	141,099	141,099	141,099	143,023	169,265	194,937
Conditions met - transferred to revenue	64,059	72,785	119,027	141,099	141,099	141,099	143,023	169,265	194,937
Conditions still to be met - transferred to liabilities									
Provincial Government:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
District Municipality:									
Balance unspent at beginning of the year									
Current year receipts									
Conditions met - transferred to revenue	–	–	–	–	–	–	–	–	–
Conditions still to be met - transferred to liabilities									
Other grant providers:									
Balance unspent at beginning of the year									
Current year receipts	6,098	11,252	7,067	–	14,176	14,176			
Conditions met - transferred to revenue	6,098	11,252	7,067	–	14,176	14,176	–	–	–
Conditions still to be met - transferred to liabilities									
Total capital transfers and grants revenue	70,157	84,036	126,094	141,099	155,275	155,275	143,023	169,265	194,937
Total capital transfers and grants - CTBM	–	–	–	–	–	–	–	–	–
TOTAL TRANSFERS AND GRANTS REVENUE	140,186	158,293	222,852	285,298	307,789	307,789	260,951	294,452	325,939
TOTAL TRANSFERS AND GRANTS - CTBM	–	–	–	–	–	–	–	–	–

Table 36 – Table SA 24 – Summary of personnel numbers

NC451 Joe Morolong - Supporting Table SA24 Summary of personnel numbers

Summary of Personnel Numbers	Ref	2014/15			Current Year 2015/16			Budget Year 2016/17		
Number	1,2	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees	Positions	Permanent employees	Contract employees
Municipal Council and Boards of Municipal Entities										
Councillors (Political Office Bearers plus Other Councillors)		29		29	29		29	29		29
Board Members of municipal entities	4									
Municipal employees	5									
Municipal Manager and Senior Managers	3	6		6	6		6	6		6
Other Managers	7	16	10	1	14	14		12	12	–
Professionals		11	8	–	15	15	–	16	17	7
Finance		3	2		5	5		6	7	7
Spatial/town planning										
Information Technology					1	1				
Roads										
Electricity					1	1				
Water		3	2					1	–	
Sanitation										
Refuse										
Other		5	4		8	8		9	10	–
Technicians		61	45	–	64	64	–	63	64	–
Finance										
Spatial/town planning		1						1		
Information Technology		1	1		1	1		1	1	
Roads		3	1		2	2		2	2	
Electricity		1	1		3	3		4	4	
Water										
Sanitation										
Refuse					3	3				
Other		55	42		55	55		56	57	
Clerks (Clerical and administrative)										
Service and sales workers										
Skilled agricultural and fishery workers										
Craft and related trades		40	30		26	26		26	26	
Plant and Machine Operators		80	41		80	80		90	90	
Elementary Occupations										
TOTAL PERSONNEL NUMBERS	9	243	134	36	234	199	35	242	209	42
% increase					(3.7%)	48.5%	(2.8%)	3.5%	4.9%	20.7%
Total municipal employees headcount	6, 10									
Finance personnel headcount	8, 10	36	24		37	32	5	37	37	5
Human Resources personnel headcount	8, 10	17	15		18	18		20	20	

2.12 Monthly targets for revenue, expenditure and cash flow

Table 37 – Table SA 25 – Budgeted monthly revenue and expenditure

NC451 Joe Morolong - Supporting Table SA25 Consolidated budgeted monthly revenue and expenditure

Description		Ref	Budget Year 2017/18											Medium Term Revenue and Expenditure Framework			
R thousand			July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source																	
Property rates				13,054										–	13,054	13,824	14,625
Service charges - electricity revenue		507		507	507	507	507	507	507	507	507	507	507	507	6,080	6,566	7,092
Service charges - water revenue		1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	1,393	16,712	18,718	20,964
Service charges - sanitation revenue		163	163	163	163	163	163	163	163	163	163	163	163	163	1,951	2,068	2,192
Service charges - refuse revenue		83	83	83	83	83	83	83	83	83	83	83	83	83	1,000	1,059	1,120
Service charges - other														–	–	–	
Rental of facilities and equipment		14	14	14	14	14	14	14	14	14	14	14	14	14	167	177	187
Interest earned - external investments		–	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Interest earned - outstanding debtors		5	5	5	5	5	5	5	5	5	5	5	5	5	55	58	62
Dividends received														–	–	–	–
Fines, penalties and forfeits														–	–	–	–
Licences and permits														–	–	–	–
Agency services		8	8	8	8	8	8	8	8	8	8	8	8	8	90	99	109
Transfers and subsidies		64,105	2,145			500	30,401		250	30,401				1,638	129,439	135,474	141,087
Other revenue		46	46	46	46	46	46	46	46	46	46	46	46	46	554	534	559
Gains on disposal of PPE														–	–	–	–
Total Revenue (excluding capital transfers and contributions)			66,322	17,416	2,217	2,217	2,717	32,618	2,217	2,467	32,618	2,217	2,217	3,855	169,101	178,576	187,997
Expenditure By Type																	
Employee related costs			4,179	4,179	4,179	4,179	4,179	4,179	8,358	4,179	4,179	4,179	4,179	5,183	55,332	58,046	61,501
Remuneration of councillors		869	869	869	869	869	869	869	869	869	869	869	869	869	10,423	11,048	11,711
Debt impairment		258	258	258	258	258	258	258	258	258	258	258	258	258	3,092	3,274	3,464
Depreciation & asset impairment		833	833	833	833	833	833	833	833	833	833	833	833	833	10,000	10,590	11,204
Finance charges		65	65	65	65	65	65	65	65	65	65	65	65	65	784	835	884
Bulk purchases		547	547	547	547	547	547	547	547	547	547	547	547	6,323	12,340	13,055	13,812
Other materials		481	481	481	481	481	481	481	481	481	481	481	481	(5,295)	–	–	–
Contracted services		1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	21,167	22,372	19,017
Transfers and subsidies		429	429	429	429	429	429	429	429	429	429	429	429	429	5,143	5,691	6,021
Other expenditure		3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,468	39,153	43,319	49,228
Loss on disposal of PPE														–	–	–	–
Total Expenditure			12,669	12,669	12,669	12,669	12,669	12,669	16,848	12,669	12,669	12,669	12,669	13,896	157,433	168,231	176,843
Surplus/(Deficit)			53,653	4,747	(10,452)	(10,452)	(9,952)	19,949	(14,631)	(10,202)	19,949	(10,452)	(10,452)	(10,041)	11,668	10,345	11,154
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		53,833				11,250	15,265		13,500		9,159			–	103,007	156,308	164,793
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions)														–	–	–	–
Transfers and subsidies - capital (in-kind - all)														–	–	–	–
Surplus/(Deficit) after capital transfers & contributions			107,486	4,747	(10,452)	798	5,313	19,949	(1,131)	(10,202)	29,108	(10,452)	(10,452)	(10,041)	114,675	166,654	175,947
Taxation														–	–	–	–
Attributable to minorities														–	–	–	–
Share of surplus/ (deficit) of associate														–	–	–	–
Surplus/(Deficit)		1	107,486	4,747	(10,452)	798	5,313	19,949	(1,131)	(10,202)	29,108	(10,452)	(10,452)	(10,041)	114,675	166,654	175,947

Table 38 – Table SA 26 – Budgeted monthly revenue and expenditure (municipal vote)

NC451 Joe Morolong - Supporting Table SA26 Consolidated budgeted monthly revenue and expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand																
Revenue by Vote																
Vote 1 - Executive & Council		6,531											–	6,531	6,863	7,197
Vote 2 - Budget & Treasury Office		61,155	2,498	353	353	353	31,584	353	353	32,414	353	353	353	130,479	137,790	143,930
Vote 3 - Corporate Support Services		27	27	27	27	27	27	27	27	27	27	27	27	325	292	303
Vote 4 - Community Services		511	261	261	261	761	261	261	511	261	261	261	1,899	5,766	4,957	4,927
Vote 5 - Technical Services		36,644	8	8	8	15,273	8	8	8	9,167	8	8	8	61,155	64,636	68,310
Vote 6 - Electricity Services		507	507	507	507	507	507	507	507	507	507	507	507	6,080	6,566	7,092
Vote 7 - Water Services		21,648	1,398	1,398	12,648	1,398	1,398	14,898	1,398	1,398	1,398	1,398	1,398	61,772	113,781	121,031
Vote 8 - Development & Town Planning Services														–	–	–
Vote 9 - [NAME OF VOTE 9]														–	–	–
Vote 10 - [NAME OF VOTE 10]														–	–	–
Vote 11 - [NAME OF VOTE 11]														–	–	–
Vote 12 - [NAME OF VOTE 12]														–	–	–
Vote 13 - [NAME OF VOTE 13]														–	–	–
Vote 14 - [NAME OF VOTE 14]														–	–	–
Vote 15 - [NAME OF VOTE 15]														–	–	–
Total Revenue by Vote		127,022	4,698	2,553	13,803	18,318	33,784	16,053	2,803	43,773	2,553	2,553	4,191	272,108	334,884	352,790
Expenditure by Vote to be appropriated																
Vote 1 - Executive & Council		1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,688	1,838	20,406	22,071	23,384
Vote 2 - Budget & Treasury Office		3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,209	3,631	38,926	42,333	44,950
Vote 3 - Corporate Support Services		1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,299	1,207	15,493	16,408	17,376
Vote 4 - Community Services		806	806	806	806	806	806	806	806	806	806	806	1,146	10,015	10,533	11,162
Vote 5 - Technical Services		497	497	497	497	497	497	497	497	497	497	497	497	5,968	6,316	6,684
Vote 6 - Electricity Services		850	850	850	850	850	850	850	850	850	850	850	850	10,199	11,042	11,683
Vote 7 - Water Services		4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	4,296	51,556	54,310	55,337
Vote 8 - Development & Town Planning Services		328	328	328	328	328	328	328	328	328	328	328	328	3,941	5,513	6,574
Vote 9 - [NAME OF VOTE 9]														–	–	–
Vote 10 - [NAME OF VOTE 10]														–	–	–
Vote 11 - [NAME OF VOTE 11]														–	–	–
Vote 12 - [NAME OF VOTE 12]														–	–	–
Vote 13 - [NAME OF VOTE 13]														–	–	–
Vote 14 - [NAME OF VOTE 14]														–	–	–
Vote 15 - [NAME OF VOTE 15]														–	–	–
Total Expenditure by Vote		12,974	12,974	12,974	12,974	12,974	12,974	12,974	12,974	12,974	12,974	12,974	13,794	156,504	168,525	177,152
Surplus/(Deficit) before assoc.		114,048	(8,275)	(10,420)	830	5,345	20,810	3,080	(10,170)	30,799	(10,420)	(10,420)	(9,603)	115,604	166,359	175,638
Taxation														–	–	–
Attributable to minorities														–	–	–
Share of surplus/ (deficit) of associate														–	–	–
Surplus/(Deficit)	1	114,048	(8,275)	(10,420)	830	5,345	20,810	3,080	(10,170)	30,799	(10,420)	(10,420)	(9,603)	115,604	166,359	175,638

Table 39 – Table SA 27 – Budgeted monthly revenue and expenditure (standard classification)

NC451 Joe Morolong - Supporting Table SA27 Consolidated budgeted monthly revenue and expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
		July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue - Functional																
Governance and administration		67,713	2,525	380	380	380	31,611	380	380	32,441	380	380	380	137,334	144,945	151,430
Executive and council		6,531												6,531	6,863	7,197
Finance and administration		61,182	2,525	380	380	380	31,611	380	380	32,441	380	380	380	130,803	138,082	144,233
Internal audit																
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	2,726	2,726	1,731	1,506
Community and social services													2,706	2,706	1,710	1,484
Sport and recreation													20	20	21	22
Public safety																
Housing																
Health																
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	61,245	61,245	64,735	68,419
Planning and development													61,155	61,155	64,636	68,310
Road transport													90	90	99	109
Environmental protection																
Trading services		-	-	-	-	-	-	-	-	-	-	-	70,803	70,803	123,474	131,435
Energy sources													6,080	6,080	6,566	7,092
Water management													61,772	61,772	113,781	121,031
Waste water management													1,951	1,951	2,068	2,192
Waste management													1,000	1,000	1,059	1,120
Other																
Total Revenue - Functional		67,713	2,525	380	380	380	31,611	380	380	32,441	380	380	135,154	272,108	334,884	352,790
Expenditure - Functional																
Governance and administration		-	-	-	-	-	-	-	-	-	-	-	74,826	74,826	80,811	85,710
Executive and council													20,406	20,406	22,071	23,384
Finance and administration													54,420	54,420	58,740	62,326
Internal audit																
Community and public safety		-	-	-	-	-	-	-	-	-	-	-	8,674	8,674	9,194	9,415
Community and social services													8,674	8,674	9,194	9,415
Sport and recreation																
Public safety																
Housing																
Health																
Economic and environmental services		-	-	-	-	-	-	-	-	-	-	-	10,627	10,627	12,693	14,178
Planning and development													9,909	9,909	11,829	13,259
Road transport													718	718	864	919
Environmental protection																
Trading services		-	-	-	-	-	-	-	-	-	-	-	63,676	63,676	67,192	68,971
Energy sources													10,199	10,199	11,042	11,683
Water management													51,556	51,556	54,310	55,337
Waste water management													659	659	698	740
Waste management													1,263	1,263	1,142	1,211
Other																
Total Expenditure - Functional		-	-	-	-	-	-	-	-	-	-	-	157,803	157,803	169,890	178,273
Surplus/(Deficit) before assoc.		67,713	2,525	380	380	380	31,611	380	380	32,441	380	380	(22,648)	114,305	164,994	174,516
Share of surplus/ (deficit) of associate																
Surplus/(Deficit)	1	67,713	2,525	380	380	380	31,611	380	380	32,441	380	380	(22,648)	114,305	164,994	174,516

Table 40 – Table SA 28 – Budgeted monthly capital expenditure (municipal votes)

NC451 Joe Morolong - Supporting Table SA28 Consolidated budgeted monthly capital expenditure (municipal vote)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Multi-year expenditure to be appropriated	1															
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget & Treasury Office													-	-	-	-
Vote 3 - Corporate Support Services													-	-	-	-
Vote 4 - Community Services		1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	1,422	17,065	21,422	27,194
Vote 5 - Technical Services		1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,695	20,474	6,691
Vote 6 - Electricity Services		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Vote 7 - Water Services		5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	70,247	114,412	130,908
Vote 8 - Development & Town Planning Services													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital multi-year expenditure sub-total	2	8,584	8,584	8,584	8,584	8,584	8,584	8,584	8,584	8,584	8,584	8,584	8,584	103,007	156,308	164,793
Single-year expenditure to be appropriated																
Vote 1 - Executive & Council													-	-	-	-
Vote 2 - Budget & Treasury Office		162				162					162		-	485	575	590
Vote 3 - Corporate Support Services		279	279	279	279	279	279	279	279	279	279	279	321	3,391	1,270	1,260
Vote 4 - Community Services		589	589	589	589	589	589	589	589	589	589	589	753	7,236	6,291	7,210
Vote 5 - Technical Services					200								-	200	212	225
Vote 6 - Electricity Services													-	-	-	-
Vote 7 - Water Services			150										-	150	159	168
Vote 8 - Development & Town Planning Services													-	-	-	-
Vote 9 - [NAME OF VOTE 9]													-	-	-	-
Vote 10 - [NAME OF VOTE 10]													-	-	-	-
Vote 11 - [NAME OF VOTE 11]													-	-	-	-
Vote 12 - [NAME OF VOTE 12]													-	-	-	-
Vote 13 - [NAME OF VOTE 13]													-	-	-	-
Vote 14 - [NAME OF VOTE 14]													-	-	-	-
Vote 15 - [NAME OF VOTE 15]													-	-	-	-
Capital single-year expenditure sub-total	2	1,030	1,019	869	1,069	1,030	869	869	869	869	1,030	869	1,074	11,462	8,507	9,453
Total Capital Expenditure	2	9,614	9,602	9,452	9,652	9,614	9,452	9,452	9,452	9,452	9,614	9,452	9,658	114,469	164,815	174,246

Table 41 – Table SA 29 – Budgeted monthly capital expenditure (standard classification)

NC451 Joe Morolong - Supporting Table SA29 Consolidated budgeted monthly capital expenditure (functional classification)

Description	Ref	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
R thousand		July	August	Sept.	October	Nov.	Dec.	January	Feb.	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital Expenditure - Functional	1															
<i>Governance and administration</i>		441	279	279	279	441	279	279	279	279	441	279	321	3,876	1,845	1,850
Executive and council													-	-	-	-
Finance and administration		441	279	279	279	441	279	279	279	279	441	279	321	3,876	1,845	1,850
Internal audit													-	-	-	-
<i>Community and public safety</i>		585	585	585	585	585	585	585	585	585	585	585	749	7,186	14,918	15,834
Community and social services		419	419	419	419	419	419	419	419	419	419	419	419	5,022	4,255	4,502
Sport and recreation													164	164	8,757	8,680
Public safety		167	167	167	167	167	167	167	167	167	167	167	167	2,000	1,906	2,652
Housing													-	-	-	-
Health													-	-	-	-
<i>Economic and environmental services</i>		1,308	1,308	1,308	1,508	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,895	20,686	6,916
Planning and development					200								-	200	212	225
Road transport		1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	1,308	15,695	20,474	6,691
Environmental protection													-	-	-	-
<i>Trading services</i>		7,280	7,430	7,280	7,280	7,280	7,280	7,280	7,280	7,280	7,280	7,280	7,280	87,512	127,366	149,646
Energy sources													-	-	-	-
Water management		5,854	6,004	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	5,854	70,397	114,571	131,076
Waste water management		1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	1,426	17,115	12,795	18,570
Waste management													-	-	-	-
<i>Other</i>													-	-	-	-
Total Capital Expenditure - Functional	2	9,614	9,602	9,452	9,652	9,614	9,452	9,452	9,452	9,452	9,614	9,452	9,658	114,469	164,815	174,246
Funded by:																
National Government		8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	7,245	103,492	156,883	165,383
Provincial Government													164	164	77	-
District Municipality													-	-	-	-
Other transfers and grants													-	-	-	-
Transfers recognised - capital		8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	8,750	7,409	103,656	156,960	165,383
Public contributions & donations													-	-	-	-
Borrowing													-	-	-	-
Internally generated funds		864	1,014	864	785	864	864	864	864	864	864	864	1,235	10,813	7,855	8,863
Total Capital Funding		9,614	9,764	9,614	9,535	9,614	9,614	9,614	9,614	9,614	9,614	9,614	8,644	114,469	164,815	174,246

Table 42– Table SA 30 – Budgeted monthly cash flow

NC451 Joe Morolong - Supporting Table SA30 Consolidated budgeted monthly cash flow

MONTHLY CASH FLOWS	Budget Year 2017/18												Medium Term Revenue and Expenditure Framework		
	July	August	Sept.	October	November	December	January	February	March	April	May	June	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
R thousand															
Cash Receipts By Source															
Property rates												12,401	12,401	13,132	13,894
Service charges - electricity revenue	481	481	481	481	481	481	481	481	481	481	481	481	481	5,776	6,238
Service charges - water revenue	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	1,323	15,876	17,782
Service charges - sanitation revenue	154	154	154	154	154	154	154	154	154	154	154	154	154	1,854	1,965
Service charges - refuse revenue	79	79	79	79	79	79	79	79	79	79	79	79	79	950	1,006
Service charges - other															
Rental of facilities and equipment	14	14	14	14	14	14	14	14	14	14	14	14	14	167	177
Interest earned - external investments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest earned - outstanding debtors	5	5	5	5	5	5	5	5	5	5	5	5	5	58	62
Dividends received	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Fines, penalties and forfeits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Licences and permits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Agency services	8	8	8	8	8	8	8	8	8	8	8	8	8	90	109
Transfer receipts - operational	64,105	2,145			500	30,401		250	30,401					127,801	133,836
Other revenue	46	46	46	46	46	46	46	46	46	46	46	46	46	554	534
Cash Receipts by Source	66,215	4,255	2,110	2,110	2,610	32,511	2,110	2,360	32,511	2,110	2,110	14,511	165,523	174,826	184,289
Other Cash Flows by Source															
Transfer receipts - capital	53,833			11,250	15,265		13,500		9,159				103,007	156,308	164,793
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporations, Higher Educational Institutions) & Transfers and subsidies - capital (in-kind - all)															
Proceeds on disposal of PPE															
Short term loans															
Borrowing long term/refinancing															
Increase (decrease) in consumer deposits															
Decrease (Increase) in non-current debtors															
Decrease (increase) other non-current receivables															
Decrease (increase) in non-current investments															
Total Cash Receipts by Source	120,048	4,255	2,110	13,360	17,875	32,511	15,610	2,360	41,670	2,110	2,110	14,511	268,530	331,135	349,082
Cash Payments by Type															
Employee related costs	4,179	4,179	4,179	4,179	8,358	4,179	4,179	4,179	4,179	4,179	4,179	4,179	54,329	57,999	61,450
Remuneration of councillors	869	869	869	869	869	869	869	869	869	869	869	869	10,423	11,048	11,711
Finance charges					392								784	835	884
Bulk purchases - Electricity	547	547	547	547	547	547	547	547	547	547	547	547	6,563	6,944	7,347
Bulk purchases - Water & Sewer	481	481	481	481	481	481	481	481	481	481	481	481	5,776	6,111	6,466
Other materials															
Contracted services	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	1,764	21,167	22,372	19,017
Transfers and grants - other municipalities															
Transfers and grants - other	429	429	429	429	429	429	429	429	429	429	429	429	5,143	5,691	6,021
Other expenditure	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	3,244	38,929	43,628	49,555
Cash Payments by Type	11,513	11,513	11,513	11,513	15,692	11,905	11,513	11,513	11,513	11,513	11,513	11,905	143,114	154,628	162,451
Other Cash Flows/Payments by Type															
Capital assets	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,522	9,727	114,469	164,739	174,246
Repayment of borrowing															
Other Cash Flows/Payments															
Total Cash Payments by Type	21,035	21,035	21,035	21,035	25,214	21,427	21,035	21,035	21,035	21,035	21,035	21,632	257,584	319,367	336,697
NET INCREASE/(DECREASE) IN CASH HELD	99,013	(16,779)	(18,924)	(7,674)	(7,339)	11,084	(5,424)	(18,674)	20,635	(18,924)	(18,924)	(7,121)	10,946	11,768	12,385
Cash/cash equivalents at the month/year begin:	12,377	111,390	94,611	75,687	68,012	60,673	71,758	66,333	47,659	68,294	49,369	30,445	12,377	23,324	35,092
Cash/cash equivalents at the month/year end:	111,390	94,611	75,687	68,012	60,673	71,758	66,333	47,659	68,294	49,369	30,445	23,324	23,324	35,092	47,477

2.13 Contracts having future budgetary implication

In terms of the municipality's Supply Chain Management Policy, no contracts are awarded beyond the medium-term revenue and expenditure framework (three years).

2.14 Capital expenditure details

The following three tables present details of the municipality's capital expenditure programme, firstly on new assets, then the renewal of assets and finally on the repair and maintenance of assets.

Table 43: Table SA 34a - Capital expenditure on new assets by asset class

NC451 Joe Morolong - Supporting Table SA34a Consolidated capital expenditure on new assets by asset class										
Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure on new assets by Asset Class/Sub-class										
Infrastructure		—	—	—	—	—	—	103,207	147,840	156,337
Roads Infrastructure		—	—	—	—	—	—	15,695	20,474	6,691
Roads		—	—	—	—	—	—	15,695	20,474	6,691
Road Structures		—	—	—	—	—	—	—	—	—
Road Furniture		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Storm water Infrastructure		—	—	—	—	—	—	—	—	—
Drainage Collection		—	—	—	—	—	—	—	—	—
Storm water Conveyance		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
Electrical Infrastructure		—	—	—	—	—	—	—	—	—
Power Plants		—	—	—	—	—	—	—	—	—
HV Substations		—	—	—	—	—	—	—	—	—
HV Switching Station		—	—	—	—	—	—	—	—	—
HV Transmission Conductors		—	—	—	—	—	—	—	—	—
MV Substations		—	—	—	—	—	—	—	—	—
MV Switching Stations		—	—	—	—	—	—	—	—	—
MV Networks		—	—	—	—	—	—	—	—	—
LV Networks		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Water Supply Infrastructure		—	—	—	—	—	—	70,397	114,571	131,076
Dams and Weirs		—	—	—	—	—	—	—	—	—
Boreholes		—	—	—	—	—	—	—	—	—
Reservoirs		—	—	—	—	—	—	—	—	—
Pump Stations		—	—	—	—	—	—	70,397	114,571	131,076
Water Treatment Works		—	—	—	—	—	—	—	—	—
Bulk Mains		—	—	—	—	—	—	—	—	—
Distribution		—	—	—	—	—	—	—	—	—
Distribution Points		—	—	—	—	—	—	—	—	—
PRV Stations		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sanitation Infrastructure		—	—	—	—	—	—	17,115	12,795	18,570
Pump Station		—	—	—	—	—	—	—	—	—
Reticulation		—	—	—	—	—	—	—	—	—
Waste Water Treatment Works		—	—	—	—	—	—	50	53	56
Outfall Sewers		—	—	—	—	—	—	—	—	—
Toilet Facilities		—	—	—	—	—	—	17,065	12,742	18,514
Capital Spares		—	—	—	—	—	—	—	—	—
Solid Waste Infrastructure		—	—	—	—	—	—	—	—	—
Landfill Sites		—	—	—	—	—	—	—	—	—
Waste Transfer Stations		—	—	—	—	—	—	—	—	—
Waste Processing Facilities		—	—	—	—	—	—	—	—	—
Waste Drop-off Points		—	—	—	—	—	—	—	—	—
Waste Separation Facilities		—	—	—	—	—	—	—	—	—
Electricity Generation Facilities		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Rail Infrastructure		—	—	—	—	—	—	—	—	—
Rail Lines		—	—	—	—	—	—	—	—	—
Rail Structures		—	—	—	—	—	—	—	—	—
Rail Furniture		—	—	—	—	—	—	—	—	—
Drainage Collection		—	—	—	—	—	—	—	—	—
Storm water Conveyance		—	—	—	—	—	—	—	—	—
Attenuation		—	—	—	—	—	—	—	—	—
MV Substations		—	—	—	—	—	—	—	—	—
LV Networks		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Coastal Infrastructure		—	—	—	—	—	—	—	—	—
Sand Pumps		—	—	—	—	—	—	—	—	—
Piers		—	—	—	—	—	—	—	—	—
Revetments		—	—	—	—	—	—	—	—	—
Promenades		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Information and Communication Infrastructure		—	—	—	—	—	—	—	—	—
Data Centres		—	—	—	—	—	—	—	—	—
Core Layers		—	—	—	—	—	—	—	—	—
Distribution Layers		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Community Assets		—	—	—	—	—	—	5,000	12,912	13,157
Community Facilities		—	—	—	—	—	—	5,000	4,232	4,477
Halls		—	—	—	—	—	—	4,000	4,232	4,477
Centres		—	—	—	—	—	—	—	—	—
Crèches		—	—	—	—	—	—	—	—	—
Clinics/Care Centres		—	—	—	—	—	—	—	—	—
Fire/Ambulance Stations		—	—	—	—	—	—	—	—	—
Testing Stations		—	—	—	—	—	—	—	—	—
Museums		—	—	—	—	—	—	—	—	—
Galleries		—	—	—	—	—	—	—	—	—
Theatres		—	—	—	—	—	—	—	—	—
Libraries		—	—	—	—	—	—	—	—	—
Cemeteries/Crematoria		—	—	—	—	—	—	1,000	—	—
Police		—	—	—	—	—	—	—	—	—
Parks		—	—	—	—	—	—	—	—	—
Public Open Space		—	—	—	—	—	—	—	—	—
Nature Reserves		—	—	—	—	—	—	—	—	—
Public Ablution Facilities		—	—	—	—	—	—	—	—	—
Markets		—	—	—	—	—	—	—	—	—
Stalls		—	—	—	—	—	—	—	—	—
Abattoirs		—	—	—	—	—	—	—	—	—
Airports		—	—	—	—	—	—	—	—	—
Taxi Ranks/Bus Terminals		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Sport and Recreation Facilities		—	—	—	—	—	—	—	8,680	8,680
Indoor Facilities		—	—	—	—	—	—	—	—	—
Outdoor Facilities		—	—	—	—	—	—	—	8,680	8,680
Capital Spares		—	—	—	—	—	—	—	—	—
Heritage assets		—	—	—	—	—	—	—	—	—
Monuments		—	—	—	—	—	—	—	—	—
Historic Buildings		—	—	—	—	—	—	—	—	—
Works of Art		—	—	—	—	—	—	—	—	—
Conservation Areas		—	—	—	—	—	—	—	—	—
Other Heritage		—	—	—	—	—	—	—	—	—
Investment properties		—	—	—	—	—	—	—	—	—
Revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Non-revenue Generating		—	—	—	—	—	—	—	—	—
Improved Property		—	—	—	—	—	—	—	—	—
Unimproved Property		—	—	—	—	—	—	—	—	—
Other assets		—	—	—	—	—	—	3,713	1,930	2,677
Operational Buildings		—	—	—	—	—	—	3,713	1,930	2,677
Municipal Offices		—	—	—	—	—	—	2,022	1,930	2,677
Pay/Enquiry Points		—	—	—	—	—	—	—	—	—
Building Plan Offices		—	—	—	—	—	—	—	—	—
Workshops		—	—	—	—	—	—	—	—	—
Yards		—	—	—	—	—	—	1,691	—	—
Stores		—	—	—	—	—	—	—	—	—
Laboratories		—	—	—	—	—	—	—	—	—
Training Centres		—	—	—	—	—	—	—	—	—
Manufacturing Plant		—	—	—	—	—	—	—	—	—
Depots		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Housing		—	—	—	—	—	—	—	—	—
Staff Housing		—	—	—	—	—	—	—	—	—
Social Housing		—	—	—	—	—	—	—	—	—
Capital Spares		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Biological or Cultivated Assets		—	—	—	—	—	—	—	—	—
Intangible Assets		—	—	—	—	—	—	735	925	990
Services		—	—	—	—	—	—	—	—	—
Licences and Rights		—	—	—	—	—	—	735	925	990
Water Rights		—	—	—	—	—	—	—	—	—
Effluent Licences		—	—	—	—	—	—	—	—	—
Solid Waste Licences		—	—	—	—	—	—	—	—	—
Computer Software and Applications		—	—	—	—	—	—	735	925	990
Local Settlement Software Applications		—	—	—	—	—	—	—	—	—
Unspecified		—	—	—	—	—	—	—	—	—
Computer Equipment		—	—	—	—	—	—	264	420	460
Computer Equipment		—	—	—	—	—	—	264	420	460
Furniture and Office Equipment		—	—	—	—	—	—	350		

Table 44: Table SA 34b - Capital expenditure on renewal existing assets by asset class

NC451 Joe Morolong - Supporting Table SA34b Capital expenditure on the renewal of existing assets by asset class

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Capital expenditure on renewal of existing assets by Asset Class/Sub-class										
Infrastructure		-	-	-	-	-	-	-	-	-
Infrastructure - Road transport		-	-	-	-	-	-	-	-	-
Roads, Pavements & Bridges										
Storm water										
Infrastructure - Electricity		-	-	-	-	-	-	-	-	-
Generation										
Transmission & Reticulation										
Street Lighting										
Infrastructure - Water		-	-	-	-	-	-	-	-	-
Dams & Reservoirs										
Water purification										
Reticulation										
Infrastructure - Sanitation		-	-	-	-	-	-	-	-	-
Reticulation										
Sewerage purification										
Infrastructure - Other		-	-	-	-	-	-	-	-	-
Waste Management										
Transportation	2									
Gas										
Other	3									
Community		-	-	-	-	-	-	-	-	-
Parks & gardens										
Sportsfields & stadia										
Swimming pools										
Community halls										
Libraries										
Recreational facilities										
Fire, safety & emergency										
Security and policing										
Buses	7									
Clinics										
Museums & Art Galleries										
Cemeteries										
Social rental housing	8									
Other										
Heritage assets		-	-	-	-	-	-	-	-	-
Buildings										
Other	9									
Investment properties		-	-	-	-	-	-	-	-	-
Housing development										
Other										
Other assets		-	-	-	-	-	-	-	-	-
General vehicles										
Specialised vehicles										
Plant & equipment										
Computers - hardware/equipment										
Furniture and other office equipment										
Abattoirs										
Markets										
Civic Land and Buildings										
Other Buildings										
Other Land										
Surplus Assets - (Investment or Inventory)										
Other	10									
Agricultural assets		-	-	-	-	-	-	-	-	-
List sub-class										
Biological assets		-	-	-	-	-	-	-	-	-
List sub-class										
Intangibles		-	-	-	-	-	-	-	-	-
Computers - software & programming										
Other (list sub-class)										
Total Capital Expenditure on renewal of existing	1	-	-	-	-	-	-	-	-	-
Specialised vehicles		-	-	-	-	-	-	-	-	-
Refuse										
Fire										
Conservancy										
Ambulances										
Renewal of Existing Assets as % of total capex		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Renewal of Existing Assets as % of deprecn"		0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Table 45: Table SA 34c – Repairs and maintenance expenditure by asset class

NC451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class

N451 Joe Morolong - Supporting Table SA34c Repairs and maintenance expenditure by asset class										
Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16			2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand	1									
Repairs and maintenance expenditure by Asset Class/Sub-class										
Infrastructure		6,129	15,228	7,145	26,268	30,811	30,811	3,874	4,511	5,180
Infrastructure - Road transport		152	78	314	243	161	161	146	277	277
Roads, Pavements & Bridges		152	78	314	243	161	161	146	277	277
Storm water										
Infrastructure - Electricity		–	–	–	200	270	270	630	979	1,035
Generation										
Transmission & Reticulation					200	270	270	630	979	1,035
Street Lighting										
Infrastructure - Water		3,763	14,289	1,693	25,700	30,150	30,150	2,953	3,124	3,617
Dams & Reservoirs										
Water purification					650	550	550			
Reticulation		3,763	14,289	1,693	25,050	29,600	29,600	2,953	3,124	3,617
Infrastructure - Sanitation		–	13	84	110	165	165	145	116	234
Reticulation			13	84	110	165	165	145	116	234
Sewerage purification										
Infrastructure - Other		2,215	848	5,053	15	65	65	–	16	17
Waste Management			303		15	65	65		16	17
Transportation										
Gas										
Other		2,215	545	5,053						
Community		16	187	2	80	25	25	21	22	24
Parks & gardens										
Sportsfields & stadia		16	36	0	20	5	5	21	22	24
Swimming pools						–	–			
Community halls			152	1	25	–	–			
Libraries						–	–			
Recreational facilities						–	–			
Fire, safety & emergency					20	20	20			
Security and policing						–	–			
Buses						–	–			
Clinics						–	–			
Museums & Art Galleries						–	–			
Cemeteries						–	–			
Social rental housing						–	–			
Other					15	–	–			
Heritage assets		–	–	–	–	–	–	–	–	–
Buildings										
Other										
Investment properties		–	–	–	–	–	–	–	–	–
Housing development										
Other										
Other assets		5,538	2,800	3,992	210	713	713	530	662	744
General vehicles		1,059	506	656	70	73	73	200	212	224
Specialised vehicles		–	–	–	–	–	–	–	–	–
Plant & equipment		3	40	27						
Computers - hardware/equipment		121	92	–	10	210	210	80	100	120
Furniture and other office equipment						–	–			
Abattoirs						–	–			
Markets						–	–			
Civic Land and Buildings						–	–			
Other Buildings		292	262	343	130	430	430	250	350	400
Other Land		–	–	970						
Surplus Assets - (Investment or Inventory)										
Other		4,063	1,900	1,996						
Agricultural assets		–	–	–	–	–	–	–	–	–
List sub-class										
Biological assets		–	–	–	–	–	–	–	–	–
List sub-class										
Intangibles		–	–	110	–	–	–	–	–	–
Computers - software & programming										
Other (list sub-class)				110						
Total Repairs and Maintenance Expenditure	1	11,683	18,215	11,248	26,558	31,548	31,548	4,425	5,195	5,948
Specialised vehicles		–	–	–	–	–	–	–	–	–
Refuse										
Fire										
Conservancy										
Ambulances										
R&M as a % of PPE		1.1%	1.6%	0.9%	2.1%	2.3%	2.3%	0.3%	0.3%	0.3%
R&M as % Operating Expenditure		4.3%	11.6%	12.5%	16.2%	17.2%	17.8%	2.9%	3.3%	3.6%

Table 46: Table SA 36 – Detailed capital budget per municipal vote

Municipal Vote/Capital project	Program/Project description	Asset Class	Asset Sub-Class	GPS co-ordinates	Prior year outcomes		2016/17 Medium Term Revenue & Expenditure Framework			Project information	
					Audited Outcom e 2014/15	Current Year 2015/16 Full Year Forecast	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19	Ward location	New or renewal
R thousand		3	3	5							
Parent municipality: Water Unit	Maseohatshe Water Reticulation	Infrastructure - Water	Reticulation	S-27°03,46'54" E°58,28'18"			7,120		–		New
Water Unit	Manyeding Water Reticulation	Infrastructure - Water	Reticulation	S-26°49,47'27" E-23°32,24,72"			4,620		–		New
Water Unit	Setshwatshwaneng Water Reticulation	Infrastructure - Water	Reticulation				5,320				
Water Unit	Kome Water Reticulation	Infrastructure - Water	Reticulation	S-26°26,06'38" E-23°05,53,57"				7,120			New
Water Unit	Makhubung Water Reticulation	Infrastructure - Water	Reticulation	S-26°19,04'90" E-23°06,07,29"			-	4,620			New
Water Unit	Water Reticulation						-				
Water Unit	Perth Water Reticulation	Infrastructure - Water	Reticulation	S-26°27,28'20" E-23°05,15,57"				5,320	164,406		New
							-				
Technical Service	Makhubung Road	Infrastructure - Road transport	Roads, Pavements & Bridges	S-26°19,08'55" E-23°06,09,18"			5,000	–	–		New
Technical Service	Gamakgatle Road	Infrastructure - Road transport	Roads, Pavements & Bridges	S-27°05,15'05" E-23°55,31,74"			6,000		–		New
Technical Service	Churchill Roads	Infrastructure - Road transport	Roads, Pavements & Bridges	S-26°49,17'16" E-23°12,24,05"			5,000		–		New
Technical Service	Dithakong Road	Infrastructure - Road transport	Roads, Pavements & Bridges				4,474	–	–		New
Technical Service	Padstow Road	Infrastructure - Road transport	Roads, Pavements & Bridges	S-26°49,17'63" E-23°12,24,40"				–	4,215		New
							-				
Community Service	Magobing West Sanitation	Infrastructure - Sanitation	Reticulation	S-27°05,27'85" E-23°4,46,31"			2,250	–	–		New
Community Service	Van zyl Rus Sanitation	Infrastructure - Sanitation	Reticulation				930	–	–		New
Community Service	Tsineng Sanitation	Infrastructure - Sanitation	Reticulation				4,000	–	–		New
Community Service	Maipeing Sanitation	Infrastructure - Sanitation	Reticulation	S-27°8,3'95" E-23°07,23,27"			1,776	–	–		New
Community Service	Rusfontein Sanitation	Infrastructure - Sanitation	Reticulation	S-26°55,02'20" E-23°15,37,38'			465	–	–		New
Community Service	Wesselsvlei Sanitation	Infrastructure - Sanitation	Reticulation				1,280	–	–		New
Community Service	Damrose Sanitation	Infrastructure - Sanitation	Reticulation	0			930	–	–		New
Community Service	Bendel Sanitation	Infrastructure - Sanitation	Reticulation	S-26°59,50'68" E-23°38,44,88'				8,976	–		New
Community Service	Mosekeng Sanitation	Infrastructure - Sanitation	Reticulation	S-27°12,39'0" E-22°19,02,0'				465	–		New
Community Service	Kokfontein Sanitation	Infrastructure - Sanitation	Reticulation	S-27°14,43'10" E-22°33,30,83'				1,280	–		New
Community Service	Dithakong Sanitation	Infrastructure - Sanitation	Reticulation	S-27°05,15'05" E-23°55,31,74'				930	17,357		New

Community Service	Loopeng Sport Field	Community	Sportsfields & stadia	S-26°48,29'6" E-23°24,50,13'	5,760,	–	–	New
Community Service	Penryn Sport Field	Community	Sportsfields & stadia	S-26°52,15'96" E-23°24,15,96'		8,680	–	New
Community Service	Bendel Sport Field	Community	Sportsfields & stadia	S-26°59,50'68" E-23°38,44,88'			8,680	New
Water Unit	Gakoe/Garamotsokwana Water Supply	Infrastructure - Water	Reticulation	S-27°07'47,89' E-23°54,32,34'	19,041		–	New
Water Unit	Laxey Water Supply	Infrastructure - Water	Reticulation	S-26°43'26,01' E-23°09,32,56'	9,820		–	New
Water Unit	Ga- Sehunelo Wyk 1 Water Supply	Infrastructure - Water	Reticulation		2,788		–	New
Water Unit	Ga- Sehunelo Wyk 4 Water Supply	Infrastructure - Water	Reticulation		3,253		–	New
Water Unit	Loopeng Water Supply	Infrastructure - Water	Reticulation		6,017		–	New
Water Unit	Gamasepa Water Supply	Infrastructure - Water	Reticulation		8,657		–	New
Water Unit	Water Refurbishment	Infrastructure - Water	Reticulation		12,487		–	Renewal
Water Unit	Dithakong Water Supply	Infrastructure - Water	Reticulation		23,182		–	New
Water Unit	Bush Buck Water Supply	Infrastructure - Water	Reticulation			5,420	–	New
Water Unit	Camden Water Supply	Infrastructure - Water	Reticulation	S-27°21'51,29' E-23°53,49,67'		5,387	–	New
Water Unit	Bojela potsane Water Supply	Infrastructure - Water	Reticulation			4,520	–	New
Water Unit	Churchill Water Supply	Infrastructure - Water	Reticulation	S-26°49'17,16' E-23°12,24,05'		6,754	–	New
Water Unit	Deurward Water Supply	Infrastructure - Water	Reticulation	S-27°36'56,51' E-23°37,03,04'		6,754	–	New
Water Unit	Metsimantsi Wyk 1 Water Supply	Infrastructure - Water	Reticulation	S-26°59'21,54' E-23°07,40,04'		2,937		New
Water Unit	Makhubung Water Supply	Infrastructure - Water	Reticulation	S-27°28'54,93' E-23°45,11,28'		4,075		New
Water Unit	Metsimantsi Wyk 3 Water Supply	Infrastructure - Water	Reticulation	S-26°56'17,93' E-23°09,48,65'		5,600		New
Water Unit	Metsimantsi Wyk 4 Water Supply	Infrastructure - Water	Reticulation			4,367		New
Water Unit	Metsimantsi Wyk 5 Water Supply	Infrastructure - Water	Reticulation	S-26°53'47,40' E-23°12,37,53'		5,120		New
Water Unit	Metsimantsi Wyk 6 Water Supply	Infrastructure - Water	Reticulation	S-26°57'11,47' E-23°12,42,89'		4,350		New
Water Unit	Metsimantsi Wyk 7 Water Supply	Infrastructure - Water	Reticulation	S-27°00'28,08' E-23°12,31,89'		4,061		New
Water Unit	Laxey Water Supply	Infrastructure - Water	Reticulation	S-26°43'26,01' E-23°09,32,56'		12,805		New
Water Unit	Logobate Water Supply	Infrastructure - Water	Reticulation	S-27°10'15,97' E-23°24,50,85'		10,900		New
Water Unit	Water Refurbishment	Infrastructure - Water	Reticulation			44,593		New
Water Unit	Purchase of PVC Tanks	Infrastructure - Water	Other		208,	221	–	New
Community Service	Construction of Hall	Community	Community halls		4,000	4,761	234	New
Community Service	Construction of Cemeteries	Community	Cemeteries		1,050			New
Community Service	Construction of Traffic testing station	Other Assets	Buildings		1,000	2,329		New
Community Service	Purchase of tractor and trailer	Other Assets	General vehicles		200			New
Community Service	Purchase of equipment	Other Assets	Plant & equipment		20	42	45	New
Budget & Treasury Office	Purchase of Computer	Other Assets	Computers - hardware/equipment		10	38	50	New

Budget & Treasury Office	Purchase of Software	Other Assets	Computers - software & programming				40	-	229		New
Corporate Service	Fencing of municipal yard	Other Assets	Other Buildings				1,800				Renewal
Corporate Service	Purchase of Office Furniture	Other Assets	Furniture and other office equipment				60	140	160		New
Corporate Service	Purchase of Computer	Other Assets	Computers - hardware/equipment				250	350	400		New
Corporate Service	Purchase of Software	Other Assets	Computers - hardware/equipment				400	420	450		New
Municipal Manager	Purchase of Camera	Other Assets	Computers - hardware/equipment				40				
Parent Capital expenditure								-	-		
Entities: <i>List all capital projects grouped by Entity</i> Entity A Water project A Entity B Electricity project B											
Entity Capital expenditure				-	-	R -		-	-		
Total Capital expenditure				-	-	149,271	173,335	196,2250			

2.14 Legislation Compliance Status

Compliance with the MFMA implementation requirements have been substantially adhered to through the following activities:

1. In year reporting

Reporting to National Treasury in electronic format was fully complied with on a monthly basis. Section 71 reporting to the Executive Mayor (within 10 working days) has progressively improved and includes monthly published financial performance on the municipality's website.

2. Internship programme

The municipality is participating in the Municipal Financial Management Internship programme and has employed five interns undergoing training in various divisions of the Budget & Treasury Office. Since the introduction of the Internship programme the municipality has successfully employed 7 of the trained 17 interns through whereby 5 interns resigned during the programme and a majority of those who completed the programme were appointed in the municipality.

3. Budget and Treasury Office

The Budget and Treasury Office has been established in accordance with the MFMA.

4. Audit Committee

An Audit Committee has been established and is fully functional.

5. Service Delivery and Implementation Plan

The detail SDBIP document is at a draft stage and will be finalised after approval of the 2015/16 MTREF in May 2017 directly aligned and informed by the 2015/16 MTREF.

6. Annual Report

Annual report is compiled in terms of the MFMA and National Treasury requirements.

Table SA 3 – Supporting details to Budgeted Financial Position

NC451 Joe Morolong - Supporting Table SA3 Supporting detail to 'Budgeted Financial Position'

Description	Ref	2012/13	2013/14	2014/15	Current Year 2015/16				2016/17 Medium Term Revenue & Expenditure Framework		
		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2016/17	Budget Year +1 2017/18	Budget Year +2 2018/19
R thousand											
ASSETS											
Call investment deposits											
Call deposits < 90 days		1,980	17,475		257	257	257		260	263	266
Other current investments > 90 days											
Total Call investment deposits	2	1,980	17,475	–	257	257	257	–	260	263	266
Consumer debtors											
Consumer debtors		128,416	135,603	58,131	6,238	6,238	6,238		6,549	6,877	6,987
Less: Provision for debt impairment		(109,290)	(111,626)		(1,322)	(1,322)	(1,322)		(1,394)	(1,471)	(1,581)
Total Consumer debtors	2	19,126	23,976	58,131	4,916	4,916	4,916	–	5,155	5,406	5,406
Debt impairment provision											
Balance at the beginning of the year											
Contributions to the provision											
Bad debts written off											
Balance at end of year		–	–	–	–	–	–	–	–	–	–
Property, plant and equipment (PPE)											
PPE at cost/valuation (excl. finance leases)		1,116,041	1,246,819	1,228,269	1,356,115	1,494,880	1,494,880		1,644,189	1,809,261	2,004,198
Leases recognised as PPE	3										
Less: Accumulated depreciation		63,508	87,765		94,123	94,123	94,123				
Total Property, plant and equipment (PPE)	2	1,052,533	1,159,054	1,228,269	1,261,992	1,400,757	1,400,757	–	1,644,189	1,809,261	2,004,198
LIABILITIES											
Current liabilities - Borrowing											
Short term loans (other than bank overdraft)											
Current portion of long-term liabilities		627	627	785	784	784	784		784	784	784
Total Current liabilities - Borrowing		627	627	785	784	784	784	–	784	784	784
Trade and other payables											
Trade and other creditors		90,855	44,594	40,151	12,664	12,664	12,664		13,170	13,697	13,697
Unspent conditional transfers									–	–	–
VAT			526		550	550	550		570	590	590
Total Trade and other payables	2	90,855	45,120	40,151	13,214	13,214	13,214	–	13,740	14,287	14,287
Non current liabilities - Borrowing											
Borrowing	4	3,536	2,310	1,803	2,516	2,516	2,516		2,124	1,724	1,424
Finance leases (including PPP asset element)											
Total Non current liabilities - Borrowing		3,536	2,310	1,803	2,516	2,516	2,516	–	2,124	1,724	1,424
Provisions - non-current											
Retirement benefits											
List other major provision items											
Refuse landfill site rehabilitation		1,551	1,884	1,565	1,629	1,629	1,629		1,710	1,796	1,896
Other											
Total Provisions - non-current		1,551	1,884	1,565	1,629	1,629	1,629	–	1,710	1,796	1,896
CHANGES IN NET ASSETS											
Accumulated Surplus/(Deficit)											
Accumulated Surplus/(Deficit) - opening balance		1,022,051	1,085,574	1,232,604	1,137,129	1,275,894	1,275,894				
GRAP adjustments											
Restated balance		1,022,051	1,085,574	1,232,604	1,137,129	1,275,894	1,275,894	–	–	–	–
Surplus/(Deficit)		(32,207)	65,046	210,605	126,383	120,534	126,435	–	149,310	173,879	196,714
Appropriations to Reserves											
Transfers from Reserves											
Depreciation offsets											
Other adjustments											
Accumulated Surplus/(Deficit)	1	989,844	1,150,620	1,443,209	1,263,512	1,396,428	1,402,329	–	149,310	173,879	196,714
Reserves											
Housing Development Fund											
Capital replacement											
Self-insurance											
Other reserves											
Revaluation											
Total Reserves	2	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	2	989,844	1,150,620	1,443,209	1,263,512	1,396,428	1,402,329	–	149,310	173,879	196,714
Total capital expenditure includes expenditure on nationally significant priorities:											
Provision of basic services											

2.15 Municipal Manager's Quality Certificate

JOE MOROLONG LOCAL MUNICIPALITY



JOE MOROLONG
LOCAL MUNICIPALITY

NC 451

QUALITY CERTIFICATE

I, Tatolo Job Gopetse, Acting Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY, hereby certify that the Annual Budget and Supporting Documentation have been prepared In accordance with the Municipal Finance Management Act;(Act 56 of 2003) and regulations made under the act and that the Annual Budget are consistent with the Integrated Development Plan of the municipality.

PRINT NAME: Tatolo Job Gopetse

Municipal Manager of JOE MOROLONG LOCAL MUNICIPALITY (NC 451)

Signature: Tatolo Job Gopetse

Date : 30 MAY 2017